

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: July 22, 2020

TO: Members of the Senate Appropriations Committee

FROM: Christopher Harkins, Director

RE: Executive Order (EO) 2020-155 Reduction and Supplementals to Balance Fiscal Year (FY) 2019-20

Based on revised consensus revenue estimates agreed to on May 15, 2020, and enacted and projected State appropriations, the Senate Fiscal Agency (SFA) revised its estimates of the year-end balances in the FY 2019-20, FY 2020-21, and FY 2021-22 General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets. At that time, the May 2020 consensus estimate for the current budget year, FY 2019-20, GF/GP revenue was reduced by \$2.0 billion from the January 2020 consensus revenue estimate, while the consensus SAF revenue was reduced by \$1.2 billion. When compared to projected FY 2019-20 expenditures, the SFA projected a year-end GF/GP deficit of \$1.1 billion and a year-end SAF deficit of \$1.1 billion. Combined, the FY 2019-20 GF/GP and SAF were projected at a \$2.2 billion mid-year deficit.

The Management and Budget Act (Section 391 of Public Act (PA) 431 of 1984, MCL 18.1391) requires the State Budget Director and the State Treasurer to notify the Governor when actual revenue for a fiscal period falls below the revenue estimates upon which the appropriations for that period were based. The Governor then must consider all appropriations having been made and is authorized to recommend a proposal to the Senate and House Appropriations Committees to bring spending in line with revenue projections. At certain times, governors facing reduced revenue have chosen to negotiate necessary budget actions with the Legislature before issuing an executive order reducing expenditures. As such, the State Budget Director recently initiated negotiations with the Senate and House Appropriations Committee chairs to develop solutions intended to bring FY 2019-20 spending in line with revenue.

On July 22, 2020, Governor Whitmer issued EO 2020-155 as the first action intended to bring the current year budget back into balance. The Governor also has issued a letter recommending the lapse of multiple prior-year work projects. Pursuant to the negotiations between the State Budget Director and the Senate and House Appropriations Committee chairs, a negative general supplemental bill, House Bill (HB) 5265, as well as a SAF supplemental bill, Senate Bill (SB) 373 will be considered by the Legislature. Also, the Legislature will consider several statutory bills that would transfer Restricted fund balances to the GF/GP for FY 2019-20. This memorandum will explain the various pieces of the proposed FY 2019-20 budget solution, as negotiated.

Table 1 outlines the SFA's projected current year-end GF/GP deficit and the adjustments proposed to State revenue and expenditures included in EO 2020-155, HB 5265, recommended work project lapses, and anticipated restricted revenue transferred to GF/GP. The increased revenue proposed totals \$262.7 million over previous estimates and is the result of a proposed \$96.5 million reduction of statutory revenue sharing payments (a reduction in sales tax revenue is reflected as a positive GF/GP offset on the balance sheet), Restricted fund revenue transfers to GF/GP totaling \$165.7 million, and GF-equivalent work projects recommended for lapse

totaling \$559,800. Current-year expenditures are recommended to be reduced by \$1.1 billion: \$620.0 million are recommended to be reduced by EO 2020-155, prior-year work projects are recommended to lapse \$80.8 million, negative supplemental appropriations of \$224.7 million are included in HB 5265, and the recognition of an additional anticipated Federal Medicaid match related to the coronavirus disease 2019 (COVID-19) pandemic allows for the offset of \$150.0 million GF/GP. General Fund/General Purpose appropriations are recommended to be increased with an additional one-time contribution of \$211.0 million to the SAF, and \$12.4 million of programmatic increases in HB 5265. These recommended changes are projected to result in a current-year GF/GP balance of \$62.9 million.

Table 2 illustrates the SFA's projected current year-end SAF deficit and the supplemental changes recommended to bring the SAF into balance. Senate Bill 373 reflects \$350.0 million from the Budget Stabilization Fund, \$712.0 million from the Federal Coronavirus Relief Fund (CRF), \$9.7 million in anticipated transfer of funds from the recommended lapse of prior-year work project Talent Investment Fund dollars, \$30.0 million of unspent Michigan Public School Employees Retirement System (MPSERS) Reserve Fund dollars, \$3.9 million of lapsed work project funds recommended from the Education Data Decision Support System, and a \$211.0 million additional deposit of one-time GF/GP. These additional revenue items are offset by proposed reductions to the SAF totaling \$487.4 million. The proposal in SB 373 includes a per-pupil reduction totaling \$256.0 million SAF, a university reduction of \$163.7 million SAF, a community college reduction of \$36.3 million SAF, reduced MPSERS costs of \$14.2 million, State assessments reduction of \$6.0 million, reduction in School Safety Grants of \$10.0 million, a First Robotics reduction of \$800,000, and CEPI operations reduction of \$411,400. The per-pupil increase included in SB 373 is supported by a CRF appropriation totaling \$512.0 million, and CRF distributed to universities and community colleges totaling \$163.7 million and \$36.3 million, respectively. Lastly, SB 373 includes a positive programmatic increase of \$575,000. In total, these adjustments result in a projected SAF balance of \$700,000.

An accounting of the various components of the GF/GP recommended adjustments to the current-year budget are included in Table 3. Table 4 details the \$633.4 million Gross reductions that are recommended as a part of EO 2020-155. Of note, the EO reductions to the Department of Corrections (MDOC) and to the Michigan State Police (MSP) reflect a total of \$499.2 million GF/GP. In a letter to the Legislature from the State Budget Office dated July 7, 2020, \$475.0 million CRF was authorized for MDOC and MSP operations related to department COVID-19 responses, \$368.2 million CRF and \$106.8 million CRF, respectively. The utilization of these Federal dollars was authorized under Sec. 302 of Public Act 67 of 2020. A line-by-line explanation of each EO recommended reduction is included in Appendix A.

Table 5 outlines the work projects recommended by the Governor to lapse identified funds back to GF/GP. These recommended lapses will occur unless there is an action by either the Senate or House Appropriations Committees to disapprove them within 30 days after the date of notification. Appendix B provides details of each of the recommended prior-year work project lapses.

The GF/GP adjustments recommended as part of the general supplemental bill, HB 5265, are outlined in Table 6. Line-item reductions totaling \$217.8 million are recommended, as are two fund balance reductions included as boilerplate adjustments totaling \$6.9 million. The bill also recommends a \$523.3 million reduction of GF/GP assuming a continuation of increased Federal Medicaid matching funds through the end of the fiscal year. This represents \$150.0 million of additional GF/GP offset that had not been assumed at the time of the May Consensus Revenue

Estimating Conference. The bill makes technical adjustments of \$190.1 million to Department of Health and Human Services caseloads, reflecting consensus decisions in May that were previously assumed on SFA balance sheets. Lastly, HB 5265 recommends increased supplemental spending of \$12.4 million.

Table 7 provides an explanation of the \$165.7 million of total restricted funds to be statutorily amended and transferred to GF/GP for the current fiscal year. In the case of certain Restricted funds, dollars first must be allowed to lapse from prior-year work projects to their appropriate Restricted funds and then will be transferred to the GF/GP by statute. These Restricted fund transfers outlined in Table 7 will require statutory changes and these implementation bills are assumed as part of the negotiated FY 2019-20 budget solution.

Appendix C and Appendix D are the SFA analyses for the supplemental budget bills HB 5265 and SB 373 assumed in the FY 2019-20 deficit solution.

In all, the proposed transfer of Restricted fund, reductions in current year spending, and recommended use of Federal dollars, eliminate the combined projected year-end FY 2019-20 deficit and produce a projected GF/GP balance of \$62.9 million and a SAF balance of \$700,000.

Table 1

FISCAL YEAR 2019-20 NEGOTIATED PROPOSAL TO BALANCE FY 2019-20 GENERAL FUND/GENERAL PURPOSE BUDGET (dollars in millions)	
	July 2020 Proposal
SFA Projected Current Law Year-End GF/GP Balance	(\$1,052.0)
<u>Proposed Revenue Increases:</u>	
Proposed Revenue Sharing Reduction - HB 5265.....	\$96.5
Proposed Restricted Revenue Transfers to GF	165.7
GF-Equivalent Lapsed Work Projects.....	<u>0.6</u>
Subtotal Revenue Increases	\$262.7
Revised Projected GF/GP Balance.....	(\$789.3)
<u>Proposed Appropriation Reductions:</u>	
Executive Order 2020-155.....	(\$620.0)
Prior Year Work Project Lapses	(80.8)
Negative General Supplemental Appropriation Items (HB 5265)	(224.7)
Balance Sheet Adjustments to GF for Assumed Increased FMAP.....	<u>(150.0)</u>
Subtotal Appropriation Reductions	(\$1,075.5)
<u>Proposed Appropriation Increases:</u>	
Additional GF Support to School Aid Fund	\$211.0
Positive General Supplemental Appropriation Items (HB 5265).....	<u>12.4</u>
Subtotal Appropriation Increases	\$223.4
Total Recommended Appropriations Adjustments	(\$852.2)
SFA Adjusted Year-End GF/GP Balance.....	\$62.9

Table 2

FISCAL YEAR 2019-20 NEGOTIATED PROPOSAL TO BALANCE FY 2019-20 SCHOOL AID FUND BUDGET (dollars in millions)	
	July 2020 Proposal
SFA Projected Current Law Year-End SAF Balance	(\$1,090.8)
Proposed Revenue Adjustments:	
Budget Stabilization Fund Deposit.....	\$350.0
Federal Coronavirus Relief Fund	712.0
Talent Investment Fund Transfer.....	9.7
Additional GF Support to School Aid Fund	211.0
Reserve Fund for MPSERS.....	30.0
Education Data Decision Support Work Project Lapse	<u>3.9</u>
Subtotal Revenue Adjustments	\$1,316.6
Revised Projected SAF Balance.....	\$225.8
Proposed Appropriation Reductions:	
K-12 Per Pupil Reduction	(\$256.0)
University Operations Reduction	(163.7)
Community College Operations Reduction	(36.3)
MPSERS Costs.....	(14.2)
State Assessment	(6.0)
CEPI Operational Reduction	(0.4)
School Safety Reduction	(10.0)
First Robotics Reduction	<u>(0.8)</u>
Subtotal Proposed Appropriation Reductions	(\$487.4)
Proposed Appropriation Increases:	
CRF Distribution to Schools	\$512.0
CRF Distribution to Universities.....	163.7
CRF Distribution to Community Colleges	36.3
10 Cents a Meal	<u>0.6</u>
Subtotal Appropriation Increases	\$712.6
Total Recommended Appropriations Adjustments	\$225.2
SFA Adjusted Year-End SAF Balance.....	\$0.7

Table 3

SUMMARY OF PROPOSAL TO BALANCE FY 2019-20 GENERAL FUND/GENERAL PURPOSE (GF/GP) BUDGET								
Department/Budget Area	(1) FY 2019-20 GF/GP Year-to-Date	(2) Executive Order GF/GP Reductions	(3) Prior Year Work Project Reductions	(4) SB 373 GF/GP Adjustments	(5) HB 5265 GF/GP Adjustments	(6) HB 5265 GF/GP Caseload Adjustments	(7) Total GF/GP Budget Adjustments	(8) FY 2019-20 Adjusted GF/GP Year-to-Date
Agriculture and Rural Develop't	\$55,979,900	(\$4,382,700)	(\$1,604,500)	\$0	\$0	\$0	(\$5,987,200)	\$49,992,700
Attorney General	41,736,300	(3,729,100)	(543,500)	0	(459,600)	0	(4,732,200)	37,004,100
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	13,195,700	(1,058,500)	(239,600)	0	0	0	(1,298,100)	11,897,600
Community Colleges	0	0	0	0	0	0	0	0
Corrections	2,005,137,900	(392,669,100)	(18,654,400)	0	(2,000,000)	0	(413,323,500)	1,591,814,400
Education	87,212,000	(3,280,800)	(1,588,900)	0	(1,865,500)	0	(6,735,200)	80,476,800
Environment, Great Lakes, & Energy	172,477,400	(1,961,400)	(975,000)	0	0	0	(2,936,400)	169,541,000
Executive	7,114,300	(355,700)	0	0	0	0	(355,700)	6,758,600
Health and Human Services	4,826,421,900	(36,463,400)	(19,989,900)	0	(616,719,300)	190,069,900	(483,102,700)	4,343,319,200
Higher Education	1,207,949,300	0	0	0	0	0	0	1,207,949,300
Insurance and Financial Services	150,000	(150,000)	0	0	0	0	(150,000)	0
Judiciary	201,443,600	0	0	0	(2,550,000)	0	(2,550,000)	198,893,600
Labor and Economic Opportunity	142,308,300	(6,497,600)	(1,445,500)	0	(1,442,000)	0	(9,385,100)	132,923,200
Legislature	188,366,300	0	(9,418,700)	0	0	0	(9,418,700)	178,947,600
Licensing and Regulatory Affairs	111,606,400	(655,500)	(2,394,700)	0	(1,500,000)	0	(4,550,200)	107,056,200
Military and Veterans Affairs	73,247,500	(2,115,700)	(1,053,500)	0	(147,600)	0	(3,316,800)	69,930,700
Natural Resources	46,985,000	(1,846,200)	(604,100)	0	0	0	(2,450,300)	44,534,700
Natural Resources (Trust Fund)	0	0	0	0	0	0	0	0
School Aid	62,620,000	0	0	210,980,000	0	0	210,980,000	273,600,000
State	13,451,200	(1,098,200)	(350,100)	0	(200,000)	0	(1,648,300)	11,802,900
State Police	481,701,700	(115,070,100)	(267,700)	0	(2,693,400)	0	(118,031,200)	363,670,500
Tech., Management, & Budget	612,674,200	(31,830,400)	(1,269,700)	0	(102,582,700)	0	(135,682,800)	476,991,400
Transportation	25,000,000	(13,000,100)	0	0	(5,473,000)	0	(18,473,100)	6,526,900
Treasury-Debt Service	104,335,000	0	0	0	0	0	0	104,335,000
Treasury-Operations	120,744,700	(3,825,100)	(20,440,400)	0	1,975,000	0	(22,290,500)	98,454,200
Treasury-Revenue Sharing	0	0	0	0	0	0	0	0
Total	\$10,601,858,600	(\$619,989,600)	(\$80,840,200)	\$210,980,000	(\$735,658,100)	\$190,069,900	(\$1,035,437,600)	\$9,566,420,600

*The revenue sharing reduction is a sales tax reduction and is instead reflected on the balance sheet.

Table 4

SUMMARY OF EXECUTIVE ORDER 2020-155					
Department/Budget Area	FY 2019-20 GF/GP Year-to-Date	Executive Order GF/GP Reductions	EO GF/GP Savings from Temp. Layoffs	Executive Order Restricted Reductions	Total Executive Order Reductions
Agriculture and Rural Development	\$55,979,900	(\$3,464,100)	(\$918,600)	\$0	(\$4,382,700)
Attorney General	41,736,300	(3,088,500)	(640,600)	0	(3,729,100)
Capital Outlay	0	0	0	0	0
Civil Rights	13,195,700	(819,000)	(239,500)	0	(1,058,500)
Community Colleges	0	0	0	0	0
Corrections	2,005,137,900	(386,150,000)	(6,519,100)	0	(392,669,100)
Education	87,212,000	(2,823,500)	(457,300)	0	(3,280,800)
Environment, Great Lakes, & Energy	172,477,400	(1,284,800)	(676,600)	0	(1,961,400)
Executive	7,114,300	(355,700)	0	0	(355,700)
Health and Human Services	4,826,421,900	(25,242,400)	(11,221,000)	0	(36,463,400)
Higher Education	1,207,949,300	0	0	0	0
Insurance and Financial Services	150,000	(150,000)	0	0	(150,000)
Judiciary	201,443,600	0	0	0	0
Labor and Economic Opportunity	142,308,300	(6,098,200)	(399,400)	0	(6,497,600)
Legislature	188,366,300	0	0	0	0
Licensing and Regulatory Affairs	111,606,400	(201,400)	(454,100)	(379,800)	(1,035,300)
Military and Veterans Affairs	73,247,500	(1,830,000)	(285,700)	0	(2,115,700)
Natural Resources	46,985,000	(1,429,900)	(416,300)	0	(1,846,200)
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	62,620,000	0	0	0	0
State	13,451,200	(987,000)	(111,200)	0	(1,098,200)
State Police	481,701,700	(113,055,800)	(2,014,300)	0	(115,070,100)
Technology, Management, & Budget	612,674,200	(30,159,600)	(1,670,800)	0	(31,830,400)
Transportation	25,000,000	(13,000,100)	0	(13,000,000)	(26,000,100)
Treasury-Debt Service	104,335,000	0	0	0	0
Treasury-Operations	120,744,700	(2,855,000)	(970,100)	0	(3,825,100)
Treasury-Revenue Sharing	0	0	0	0	0
Total	\$10,601,858,600	(\$592,995,000)	(\$26,994,600)	(\$13,379,800)	(\$633,369,400)

Table 5

GOVERNOR'S RECOMMENDED WORK PROJECT LAPSE DETAIL			
Department/Budget Area	GF/GP Work Project Lapses	Restricted Fund Lapses	Total Work Project Lapses
Agriculture and Rural Development	(\$1,604,500)	\$0	(\$1,604,500)
Attorney General	(543,500)	(180,000)	(723,500)
Capital Outlay	0	0	0
Civil Rights	(239,600)	0	(239,600)
Community Colleges	0	0	0
Corrections	(18,654,400)	0	(18,654,400)
Education	(1,588,900)	0	(1,588,900)
Environment, Great Lakes, & Energy	(975,000)	0	(975,000)
Executive	0	0	0
Health and Human Services	(19,989,900)	1,251,000	(21,240,900)
Higher Education	0	0	0
Insurance and Financial Services	0	0	0
Judiciary	0	0	0
Labor and Economic Opportunity	(1,445,500)	(24,000,000)	(25,445,500)
Legislature	(9,418,700)	0	(9,418,700)
Licensing and Regulatory Affairs	(2,394,700)	0	(2,394,700)
Military and Veterans Affairs	(1,053,500)	0	(1,053,500)
Natural Resources	(604,100)	0	(604,100)
Natural Resources (Trust Fund)	0	0	0
School Aid	0	(13,617,800)	(13,617,800)
State	(350,100)	(249,900)	(600,000)
State Police	(267,700)	0	(267,700)
Technology, Management, & Budget	(1,269,700)	0	(1,269,700)
Transportation	0	0	0
Treasury-Debt Service	0	0	0
Treasury-Operations	(20,440,400)	(2,038,700)	(22,479,100)
Treasury-Revenue Sharing	0	0	0
TOTAL WORK PROJECT LAPSES	(\$80,840,200)	(\$41,337,400)	(\$122,177,600)

Table 6

SUMMARY OF FY 2019-20 GENERAL SUPPLEMENTAL: HOUSE BILL 5265 GENERAL FUND/GENERAL PURPOSE								
Department/Budget Area	FY 2019-20	GF/GP Reductions			GF/GP Increases		Total	
	GF/GP Year-to-Date	Line Item Reductions	Boilerplate Reductions	GF/GP Offset by FMAP	Caseload Adjustments	Line Item Increases	GF/GP Supp. Changes	
Agriculture and Rural Develop't	\$55,979,900	\$0	\$0	\$0	\$0	\$0	\$0	
Attorney General	41,736,300	(459,600)	0	0	0	0	(459,600)	
Capital Outlay	0	0	0	0	0	0	0	
Civil Rights	13,195,700	0	0	0	0	0	0	
Community Colleges	0	0	0	0	0	0	0	
Corrections	2,005,137,900	(2,000,000)	0	0	0	0	(2,000,000)	
Education	87,212,000	(1,865,500)	0	0	0	0	(1,865,500)	
Environment, Great Lakes, & Energy	172,477,400	0	0	0	0	0	0	
Executive	7,114,300	0	0	0	0	0	0	
Health and Human Services	4,826,421,900	(101,346,000)	0	(523,328,300)	190,069,900	7,955,000	(426,649,400)	
Higher Education	1,207,949,300	0	0	0	0	0	0	
Insurance and Financial Services	150,000	0	0	0	0	0	0	
Judiciary	201,443,600	(2,550,000)	0	0	0	0	(2,550,000)	
Labor and Economic Opportunity	142,308,300	0	(1,442,000)	0	0	0	(1,442,000)	
Legislature	188,366,300	0	0	0	0	0	0	
Licensing and Regulatory Affairs	111,606,400	(1,500,000)	0	0	0	0	(1,500,000)	
Military and Veterans Affairs	73,247,500	(567,600)	0	0	0	420,000	(147,600)	
Natural Resources	46,985,000	0	0	0	0	0	0	
Natural Resources (Trust Fund)	0	0	0	0	0	0	0	
School Aid	62,620,000	0	0	0	0	0	0	
State	13,451,200	(200,000)	0	0	0	0	(200,000)	
State Police	481,701,700	(2,693,400)	0	0	0	0	(2,693,400)	
Tech., Management, & Budget	612,674,200	(102,582,700)	0	0	0	0	(102,582,700)	
Transportation	25,000,000	0	(5,473,000)	0	0	0	(5,473,000)	
Treasury-Debt Service	104,335,000	0	0	0	0	0	0	
Treasury-Operations	120,744,700	(2,025,000)	0	0	0	4,000,000	1,975,000	
Treasury-Revenue Sharing	0	0	0	0	0	0	0	
Total	\$10,601,858,600	(\$217,789,800)	(\$6,915,000)	(\$523,328,300)	\$190,069,900	\$12,375,000	(\$545,588,200)	

Table 7

ANTICIPATED STATUTORILY RESTRICTED FUNDS TRANSFERS TO GF/GP	
Department/Budget Area	Statutory Restricted Fund Transfer to GF
Agriculture and Rural Development	
Michigan Craft Beverage Council Fund	\$476,500
Subtotal MDARD	\$476,500
Environment, Great Lakes, & Energy	
Scrap Tire Regulatory Fund	\$4,000,000
Solid Waste Management Fund - Staff Account	2,000,000
Subtotal EGLE	\$6,000,000
Health and Human Services	
Certificate of Need	\$3,000,000
Subtotal DHHS	\$3,000,000
Judiciary	
Juror Compensation Fund	\$2,500,000
Subtotal Judiciary	\$2,500,000
Labor and Economic Opportunity	
21 st Century Jobs Fund	\$54,000,000
Film Promotion Fund	37,126,100
Subtotal LEO	\$91,126,000
Licensing and Regulatory Affairs	
Health Professional Regulatory Fund	\$10,000,000
Marihuana Regulatory Fund	17,000,000
Subtotal LARA	\$27,000,000
State Police	
Sex Offenders Legislation Fund	\$3,400,000
Subtotal MSP	\$3,400,000
Transportation	
Transportation Economic Development Fund	\$13,000,000
Subtotal MDOT	\$13,000,000
Treasury-Operations	
Convention Facility Development Fund	\$10,000,000
Land Reutilization Fund	9,150,000
Subtotal Treasury	19,150,000
TOTAL RESTRICTED FUND TRANSFER TO GF	\$165,652,600

APPENDIX A

EXECUTIVE ORDER 2020-155

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Food Safety and Quality Assurance. Savings from hiring freeze (\$90,500) and temporary layoffs (\$183,000).	\$17,124,500	\$8,848,800	\$273,500
2. Animal Disease Prevention and Response. Savings from hiring freeze (\$113,900) and temporary layoffs (\$150,500).	9,465,100	8,595,300	264,400
3. Pesticide and Plant Pest Management. Savings from hiring freeze (\$134,200) and temporary layoffs (\$121,900).	13,409,200	5,331,900	256,100
4. Laboratory Services. Savings from hiring freeze (\$125,500) and temporary layoffs (\$77,000).	7,226,900	4,655,100	202,500
5. Food and Agriculture Investment Program. Reduction of 75% to grant program designed to expand food and agriculture sector production and markets.	4,000,000	4,000,000	3,000,000
6. Agriculture Development. Savings from temporary layoffs.	4,623,900	1,864,100	32,700
7. Executive Direction. Savings from temporary layoffs.	2,958,700	2,904,400	58,600
8. Accounting Service Center. Savings from temporary layoffs.	1,011,300	1,011,300	1,300
9. Property Management. Savings from temporary layoffs.	738,100	618,400	4,400
10. Emergency Management. Savings from temporary layoffs.	1,283,900	843,900	11,800
11. Environmental Stewardship - MAEAP. Savings from temporary layoffs.	11,039,000	795,800	18,900
12. Farmland and Open Space Preservation. Savings from temporary layoffs.	1,566,600	21,900	300
13. Intercounty Drain. Savings from temporary layoffs.	822,000	822,000	15,200
14. Migrant Labor Housing. Savings from temporary layoffs.	1,298,600	1,158,500	25,800
15. Qualified Forest Program. Savings from temporary layoffs.	3,478,400	1,701,000	26,700
16. Right-to-Farm. Savings from temporary layoffs.	974,700	883,300	19,500
17. Milk Safety and Quality Assurance. Savings from temporary layoffs.	5,510,700	5,093,900	104,200
18. Information Technology Services and Projects. Savings from temporary layoffs.	1,812,800	1,622,000	11,500
19. Consumer Protection Program. Savings from temporary layoffs.	6,868,300	2,162,300	38,200
20. Central Licensing and Customer Service Call Center. Savings from temporary layoffs.	1,355,600	437,100	12,100
21. Animal Feed Safety. Savings from temporary layoffs.	1,752,900	300,000	5,000
TOTAL REDUCTION:			\$4,382,700

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DEPARTMENT OF ATTORNEY GENERAL

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Unclassified Salaries. One-time salary reductions (\$70,000 GF/GP) and temporary layoffs (\$10,900 GF/GP).	\$824,100	\$824,100	\$80,900
2. Department of Attorney General. Reduces discretionary spending (\$778,300 GF/GP), one-time salary reductions (\$223,900 GF/GP), utilizes savings from hiring freezes (\$40,000 GF/GP) and temporary layoffs (\$552,100 GF/GP).	93,782,900	32,976,200	1,594,300
3. Child Support Enforcement Personnel. Reduces discretionary spending (\$70,000 GF/GP), one-time salary reductions (\$6,100 GF/GP) and utilizes savings from hiring freezes (\$80,000 GF/GP), temporary layoffs (\$22,700 GF/GP).	3,313,400	918,800	178,800
4. OK2Say Program. Reduces discretionary spending (\$600,000 GF/GP) and temporary layoffs (\$4,900 GF/GP).	1,122,200	900,000	604,900
5. Prosecuting Attorneys Coordinating Council Personnel. Utilizes savings from hiring freezes (\$123,600 GF/GP) and temporary layoffs (\$31,500 GF/GP).	1,825,500	1,676,900	155,100
6. Sexual Assault Law Enforcement Personnel. Reduces discretionary spending (\$840,000 GF/GP) and temporary layoffs (\$4,100 GF/GP).	1,393,200	1,393,200	844,100
7. Information Technology Services and Projects. Savings realized from temporary layoffs (\$14,400 GF/GP).	1,598,200	1,598,200	14,400
8. Internal Fund Shift. Department will internally replace GF/GP funds with yet-to-be determined restricted funds. The Department of Attorney General line item will replace \$56,600 in GF/GP funds and OK2Say Personnel line item will replace \$200,000 in GF/GP funds. The net result is a GF/GP savings of \$256,600.	N/A	N/A	256,600
TOTAL REDUCTION:			\$3,729,100

EXECUTIVE ORDER 2020-155

DEPARTMENT OF CIVIL RIGHTS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Complaint Investigation and Enforcement. Reduces discretionary spending (\$265,000 GF/GP), hiring freezes (\$27,000 GF/GP), and temporary layoffs (\$235,100 GF/GP) in Complaint Investigation and Enforcement.	\$6,350,400	\$3,191,500	\$527,100
2. Law and Policy. Savings due to hiring freeze (\$200,000 GF/GP) and reduction in discretionary spending (\$10,000 GF/GP).	3,171,400	3,171,400	210,000
3. Public Affairs. Savings due to hiring freeze (\$107,000 GF/GP) and reduction in discretionary spending (\$20,000 GF/GP).	1,631,800	1,631,800	127,000
4. Executive Office. Savings due to hiring freeze (\$80,000 GF/GP) and reduction in discretionary spending (\$25,000 GF/GP).	3,054,300	3,054,300	105,000
5. Division on Deaf, Deafblind, and Hard of Hearing. Savings due to hiring freeze (\$80,000 GF/GP) and reduction in discretionary spending (\$5,000 GF/GP).	722,100	703,400	85,000
6. Information Technology Services and Projects. Savings due to temporary layoff (\$4,400 GF/GP)	736,400	721,400	4,400
TOTAL REDUCTION:			\$1,058,500

EXECUTIVE ORDER 2020-155

DEPARTMENT OF CORRECTIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Education/Skilled Trades/Career Readiness Programs. Savings from late implementation of the Women's Huron Valley Vocational Village and vacancies in the program line (\$5.0 million). Additional savings from discretionary reductions (\$201,400), hiring freeze (\$770,200), and temporary layoffs (\$37,600).	\$38,331,600	\$23,777,700	\$6,009,200
2. Offender Success Services. Savings from substance abuse treatment services for parolees and probationers totaling \$5.0 million are shifted to prepaid inpatient health plans through Medicaid. Additional \$3.0 million in savings from cancellation of the contract for the Lake County Residential Reentry Program. Additional savings from discretionary reductions (\$12,600), hiring freeze (\$161,500), temporary layoffs (\$151,200), and programmatic reductions (\$684,200).	29,061,400	29,061,400	9,009,500
3. Transportation. Savings from temporary layoffs (\$7,900) and programmatic reductions (\$11,602,000).	30,138,400	29,554,500	11,610,100
4. Year-end Lapse Savings. Savings from projected year-end lapses in the Residential Alternative to Prison Program (\$600,000) and Community Corrections Comprehensive Plans and Services (\$350,000).	13,558,000	13,558,000	950,000
5. Unclassified Salaries. Savings from hiring freeze (\$24,800).	1,960,700	1,960,700	24,800
6. Budget and Operations Administration. Savings from discretionary reductions (\$32,100), hiring freeze (\$236,000), and temporary layoffs (\$651,600).	33,667,000	32,270,700	919,700
7. Central Records. Savings from discretionary reductions (\$5,200), hiring freeze (\$12,400), and temporary layoffs (\$88,000).	4,646,800	4,646,800	105,600
8. Correctional Facilities Administration. Savings from hiring freeze (\$136,600) and temporary layoffs (\$79,700).	5,991,400	5,719,400	216,300
9. Clinical Complexes. Savings from discretionary reductions (\$51,800), hiring freeze (\$149,100), temporary layoffs (\$54,700), and programmatic reductions (\$444,400).	146,763,100	146,505,900	700,000
10. Health Care Administration. Savings from discretionary reductions (\$5,200), hiring freeze (\$62,100), and temporary layoffs (\$32,100).	3,815,200	3,815,200	99,400
11. Mental Health and Substance Abuse Treatment Services. Savings from discretionary reductions (\$5,200), hiring freeze (\$87,000), and temporary layoffs (\$67,600).	50,924,800	50,674,600	159,800
12. Enhanced Food Technology Program. Savings from discretionary reductions (\$12,600) and hiring freeze (\$62,100).	2,000,000	2,000,000	74,700

13. Compensatory Buyout and Union Bank Leave. Savings from discretionary reductions (\$100).	100	100	100
14. Judicial Data Warehouse User Fees. Savings from discretionary reductions (\$1,000).	50,600	50,600	1,000
15. Inmate Housing Fund. Savings from discretionary reductions (\$100).	100	100	10
16. Inmate Legal Services. Savings from discretionary reductions (\$3,100).	290,900	290,900	3,100
17. Field Operations. Savings from discretionary reductions (\$37,400), temporary layoffs (\$4,841,300) and programmatic reductions (\$141,100).	217,647,700	210,732,200	5,019,800
18. Parole Board Operations. Savings from discretionary reductions (\$11,500) and temporary layoffs (\$72,100).	3,793,300	3,793,300	83,600
19. Executive Direction. Savings from temporary layoffs (\$51,600).	4,299,400	4,299,400	51,600
20. Information Technology Services and Projects. Savings from temporary layoffs (\$56,900).	30,808,700	29,475,300	56,900
21. Prison Food Services. Savings from temporary layoffs (\$4,300).	71,131,100	71,131,100	4,300
22. Healthy Michigan Plan Administration. Savings from temporary layoffs (\$4,300).	982,700	593,500	4,300
23. Detroit Reentry Center. Savings from discretionary reductions (\$37,400), hiring freeze (\$12,400), temporary layoffs (\$87,000), and programmatic reductions (\$9,710,500).	30,561,100	30,561,100	9,847,300
24. Correctional Facilities. Savings are realized in most of the State's 29 correctional facilities. The savings from discretionary reductions total \$1,583,300; hiring freezes total \$285,800; temporary layoffs total \$231,200, and programmatic reductions total \$345,617,600.	1,073,553,000	1,072,416,100	347,717,900
TOTAL REDUCTION:			\$392,669,100

*In addition to these reductions, it should be noted that Federal Coronavirus Relief Fund (CRF) dollars have been authorized for the department to pay for costs associated with the department response to the COVID-19 pandemic. The CRF dollars, authorized under Sec. 302 of PA 67 of 2020, total \$368.2 million for the Michigan Department of Corrections.

EXECUTIVE ORDER 2020-155

DEPARTMENT OF EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Accountability Services. Includes discretionary spending reductions (\$123,400), temporary layoffs (\$24,900), and hiring freeze (\$41,600).	\$14,699,800	\$2,199,200	\$189,900
2. Administrative Law. Includes discretionary spending reductions (\$47,900), temporary layoffs (\$1,200), and hiring freeze (\$16,100).	1,402,300	103,800	65,200
3. Adolescent and School Health. Includes discretionary spending reductions (\$59,800), temporary layoffs (\$5,400), and hiring freeze (\$20,200).	320,000	320,000	85,400
4. Career and Technical Education. Includes discretionary spending reductions (\$37,400), temporary layoffs (\$14,600), and hiring freeze (\$12,600).	5,360,200	1,387,600	64,600
5. Central Support. Includes discretionary spending reductions (\$74,900), temporary layoffs (\$41,900), hiring freeze (\$25,200), and program reductions (\$76,700).	5,987,500	2,554,800	218,700
6. Educational Supports. Includes discretionary spending reductions (\$243,100), temporary layoffs (\$63,200), and hiring freeze (\$81,900).	15,164,000	3,512,800	388,200
7. Educator Excellence. Includes discretionary spending reductions (\$113,100), temporary layoffs (\$32,900), and hiring freeze (\$38,100).	10,836,700	2,016,800	184,100
8. Grant and Contract Operations. Includes discretionary spending reductions (\$7,500), temporary layoffs (\$6,000), and hiring freeze (\$2,500).	2,711,900	238,400	16,000
9. Head Start Collaboration Office. Includes discretionary spending reductions (\$3,000), temporary layoffs (\$700), and hiring freeze (\$1,000).	316,600	63,000	4,700
10. Information Technology. Includes discretionary spending reductions (\$112,200), temporary layoffs (\$22,500), and hiring freeze (\$37,800).	4,651,000	1,405,100	172,500
11. Library of Michigan. Includes discretionary spending reductions (\$261,900), temporary layoffs (\$80,800), and hiring freeze (\$88,100).	4,958,800	4,658,800	430,800
12. Michigan eLibrary. Includes temporary layoffs (\$5,400).	1,761,700	1,761,700	5,400
13. Office of Great Start Operations. Includes discretionary spending reductions (\$29,900), temporary layoffs (\$31,500), and hiring freeze (\$10,100).	13,369,600	1,860,100	71,500
14. Office of Systems, Evaluation, and Technology. Includes discretionary spending reductions (\$22,400), temporary layoffs (\$5,800), and hiring freeze (\$7,600).	1,993,000	865,100	35,800
15. Partnership District Support. Includes discretionary spending reductions (\$486,100), temporary layoffs (\$55,900), hiring freeze (\$163,900), and program reductions (\$500,000).	3,650,400	3,535,900	1,205,900

16. Property Management. Includes temporary layoffs (\$15,200).	3,499,800	2,155,200	15,200
17. School Support Services. Includes temporary layoffs (\$11,800).	13,563,900	1,043,700	11,800
18. Special Education. Includes temporary layoffs (\$8,600).	9,153,000	435,800	8,600
19. State Board, Per Diem Payments. Includes discretionary spending reductions (\$1,900) and hiring freeze (\$600).	24,400	24,400	2,500
20. State Board/Superintendent Operations. Includes discretionary spending reductions (\$37,400), temporary layoffs (\$19,100), and hiring freeze (\$12,600).	2,224,400	1,369,400	69,100
21. Strategic Planning and Implementation. Includes discretionary spending reductions (\$11,200), temporary layoffs (\$9,900), and hiring freeze (\$3,800).	1,061,500	519,700	24,900
22. Unclassified Salaries. Includes discretionary spending reductions (\$7,500), and hiring freeze (\$2,500).	904,000	696,600	10,000
TOTAL REDUCTION:			\$3,280,800

EXECUTIVE ORDER 2020-155

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Executive Direction. Savings from temporary layoffs.	\$2,133,600	\$1,314,600	\$20,800
2. Environmental Support. Savings from temporary layoffs.	4,659,000	2,834,900	61,100
3. Financial Support. Savings from temporary layoffs.	5,089,500	1,094,600	19,300
4. Air Quality Programs. Savings from temporary layoffs.	29,944,100	8,016,200	119,800
5. Environmental Investigations. Savings from temporary layoffs.	3,035,700	565,000	8,300
6. Office of Climate and Energy. Savings from temporary layoffs.	7,192,500	562,400	700
7. Contaminated Site Investigations, Cleanup and Revitalization. Savings from temporary layoffs.	15,480,500	307,000	5,800
8. Environmental Health. Savings from temporary layoffs.	7,052,700	2,298,500	69,800
9. Groundwater Discharge Permit Program. Savings from temporary layoffs.	3,286,400	1,806,500	100,000
10. Land and Water Interface Permit Programs. Savings from temporary layoffs.	12,037,700	6,282,700	115,000
11. NPDES Nonstormwater Program. Savings from temporary layoffs.	13,467,800	2,415,800	143,200
12. Mapping and Other Support. Savings from hiring freeze.	4,300,000	4,300,000	1,284,800
13. Information Technology Services and Projects. Savings from temporary layoffs.	9,679,200	478,100	4,600
14. Property Management. Savings from temporary layoffs.	7,741,300	1,836,800	8,200
TOTAL REDUCTION:			\$1,961,400

EXECUTIVE ORDER 2020-155

EXECUTIVE OFFICE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Executive Office. Reduces discretionary spending for non-essential items, including travel, office supplies, and procurement card purchases, will be eliminated.	\$5,483,200	\$5,483,200	\$355,700
TOTAL REDUCTION:			\$355,700

EXECUTIVE ORDER 2020-155

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Hiring Freezes/Temporary Layoffs. Recognizes savings in various line items resulting from temporary layoffs of department workers (\$11,221,000 GF/GP), and a hiring freeze (\$4,920,900 GF/GP).	N/A	N/A	\$16,141,900
2. Discretionary Spending Reductions. Reduces funding for the PFAS and Environmental Contamination Response line (\$3,817,100 GF/GP), recognizes savings in various line items from travel restrictions and reduced supplies and materials costs (\$1,581,000 GF/GP), recognizes savings in various line items from contract reductions or eliminations (\$1,049,100 GF/GP), eliminates funding for Kevin's Law in the Court Ordered Assisted Outpatient Treatment line (\$1,000,000 GF/GP), reduces funding for the Healthy Homes Program line (\$982,900 GF/GP), recognizes savings in the Health Plan Services line from contract changes with Medicaid Health Plans (\$600,000 GF/GP), reduces funding for the Medical and Psychiatric Examinations line (\$300,000 GF/GP), reduces funding for a CSS&M Pilot in the Child Welfare Contractual Services, Supplies, and Materials line (\$266,900), reduces funding for Relative Incentive Payments in the Children's Services Agency-Child Welfare line (\$250,000 GF/GP), and recognizes savings in the Medical Services Administration line from reduced overtime costs and the termination of a state car lease (\$24,500 GF/GP).	N/A	N/A	9,871,500
3. Eliminate Greenlawn Hospital Behavioral Health Pilot Program. Eliminates funding for a 3-year pilot program at McLaren Greater Lansing to expand access to psychiatric beds.	4,000,000	4,000,000	4,000,000
4. Reverse Healthy Michigan Plan Administrative Increase. Reduces funding for supportive services and public outreach related to the implementation of the Healthy Michigan Plan work engagement legislation.	10,000,000	10,000,000	2,500,000
5. Reduce MiDOCs Funding. Reduces GF/GP funding for the MiDocs Consortium by 60%. The MiDocs program creates new primary care residency slots in underserved communities.	17,500,000	3,750,000	2,250,000
6. Reduce Senior Volunteer Service Programs. Reduces GF/GP funding for the foster grandparent, retired and senior volunteer, and senior companion volunteer programs by 36%.	4,765,300	4,765,300	1,700,000
TOTAL REDUCTION:			\$36,463,400

EXECUTIVE ORDER 2020-155

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Healthy Michigan Plan Reporting Requirement. Elimination of funding for Healthy Michigan Plan Report. This report is completed by DHHS and the appropriation has lapsed each fiscal year.	\$150,000	\$150,000	\$150,000
TOTAL REDUCTION:			\$150,000

EXECUTIVE ORDER 2020-155

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Administrative Services. Includes temporary layoffs (\$119,700).	\$3,082,600	\$3,082,600	\$119,700
2. Blight Removal Grants. Eliminates the line item (\$250,100).	250,100	250,100	250,100
3. Bureau of Services for Blind Persons. Includes temporary layoffs (\$13,900).	25,143,000	5,727,600	13,900
4. Compensation Supplement Fund. Program reduction that eliminates the GF/GP in the line item (\$1,000,000).	1,820,000	1,000,000	1,000,000
5. Executive Direction and Operations. Includes temporary layoffs (\$15,100).	8,942,100	166,000	15,100
6. High School Equivalency-To-School Program. Program reduction (\$101,200).	250,000	250,000	101,200
7. Hispanic/Latino Commission of Michigan. Includes temporary layoffs (\$1,500).	290,700	290,700	1,500
8. Job Creation Services. Includes temporary layoffs (\$119,700), hiring freeze (\$250,000), and discretionary spending reductions (\$626,000).	22,293,000	14,653,100	1,022,300
9. Michigan Community Service Commission. Includes temporary layoffs (\$5,300).	11,689,300	1,004,500	5,300
10. Office of Global Michigan. Includes temporary layoffs (\$3,100).	29,309,700	480,400	3,100
11. Unclassified Salaries. Includes temporary layoffs (\$8,600).	3,920,100	214,700	8,600
12. Workers' Compensation Board of Magistrates. Includes temporary layoffs (\$7,500).	2,232,400	705,400	7,500
13. Workers' Disability Compensation Agency. Includes temporary layoffs (\$43,900) and hiring freeze (\$526,700)	8,072,200	3,390,366	570,600
14. Workforce Development Programs. Program reduction for the Healthy Michigan work requirement (\$3,229,200).	388,773,400	9,450,600	3,229,200
15. Workforce Program Administration. Includes temporary layoffs (\$34,500) and discretionary spending reductions (\$115,000).	36,996,800	2,082,600	149,500
TOTAL REDUCTION:			\$6,497,600

EXECUTIVE ORDER 2020-155

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Adult Foster Care and Camps Licensing and Regulation. Reduces spending through temporary layoffs.	\$13,329,800	\$12,719,800	\$266,000
2. Michigan Indigent Defense Commission. Savings are drawn from freezing additional hiring for vacant positions (\$172,800 GF/GP) and temporary layoffs (\$42,000 GF/GP). Reduces appropriations for Michigan Indigent Defense Commission expenses related to travel, rent, and student assistants (\$12,600 GF/GP)	2,654,400	2,654,400	227,400
3. Liquor Licensing and Enforcement. Reduces special revenue appropriations to the Michigan Liquor Control Commission.	16,243,700	0	200,000
4. Michigan Office of Administrative Hearings and Rules. Reduces Securities Fees and GF/GP appropriations to the Michigan Office of Administrative Hearings and Rules (\$111,800) for discretionary spending related to travel, rent, and student assistants, and utilizes savings through temporary layoffs (\$9,400 GF/GP).	37,350,700	635,000	121,200
5. Management and Support Services. Reduces special revenue appropriations to the Michigan Liquor Control Commission.	4,564,100	0	84,000
6. Bureau of Fire Services. Reduces spending through temporary layoffs.	12,119,700	3,891,600	78,900
7. Bureau of Professional Licensing. Reduces spending through temporary layoffs.	40,115,300	1,264,800	38,300
8. Bureau of Community and Health Systems Administration. Reduces spending through temporary layoffs.	61,632,100	18,824,800	9,800
9. Health Facilities Regulation. Reduces spending through temporary layoffs.	28,955,500	5,824,000	5,300
10. Property Management. Reduces spending through temporary layoffs.	8,253,900	203,600	4,100
11. Unclassified Salaries. Reduces spending through temporary layoffs.	2,549,300	31,400	300
TOTAL REDUCTION:			\$1,035,300

EXECUTIVE ORDER 2020-155

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Michigan Veterans Facility Authority. Savings from hiring freeze (\$200,000).	\$1,276,900	\$1,276,900	\$200,000
2. Unclassified Salaries. Savings from hiring freeze (\$150,000).	1,558,300	1,558,300	150,000
3. Headquarters and Armories. Savings from discretionary reductions (\$270,000), hiring freeze (\$330,000), and temporary layoffs (\$65,800).	20,688,500	7,634,900	665,800
4. Michigan Youth Challenge Academy. Savings from discretionary reductions (\$39,300), hiring freeze (\$60,700), and temporary layoffs (\$100,000).	7,580,900	2,976,900	200,000
5. Military Training Sites and Support Facilities. Savings from hiring freeze (\$425,000).	41,890,300	2,748,500	425,000
6. Michigan Veterans Affairs Agency. Savings from discretionary reductions (\$205,000), and temporary layoffs (\$84,000).	7,189,100	7,139,100	289,000
7. Departmentwide. Savings from discretionary reductions (\$150,000).	1,761,900	280,700	150,000
8. Information Technology Services and Projects. Savings from temporary layoffs (\$7,900).	2,000,800	519,000	7,900
9. D.J. Jacobetti Home for Veterans. Savings from temporary layoffs (\$10,000).	24,918,600	9,207,900	10,000
10. Grand Rapids Home for Veterans Salaries, Wages, and Fringe Benefits. Savings from temporary layoffs (\$18,000).	31,885,400	13,222,400	18,000
TOTAL REDUCTION:			\$2,115,700

EXECUTIVE ORDER 2020-155

DEPARTMENT OF NATURAL RESOURCES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Cooperative Resource Management. Savings from temporary layoffs.	\$1,580,300	\$224,500	\$4,900
2. Deer Habitat Improvement Partnership Initiative. The Executive Order would reduce funding for this program which provides grants to sportsmen's organizations and other groups to improve deer habitats in certain areas of Michigan.	300,000	100,000	100,000
3. Executive Direction. Savings from temporary layoffs.	2,223,100	267,900	5,800
4. Finance and Operations. Savings from temporary layoffs.	16,979,000	1,002,500	23,600
5. Fisheries Resource Management. Savings from temporary layoffs.	21,369,700	526,000	9,900
6. Forest Recreation and Trails. Savings from temporary layoffs.	7,131,100	714,200	14,100
7. General Law Enforcement. Savings from temporary layoffs (\$28,900) and hiring freeze (\$738,200).	44,784,100	12,453,600	767,100
8. Historical Facilities System. Savings from temporary layoffs.	1,827,100	202,700	8,000
9. Information Technology Services and Projects. Savings from temporary layoffs.	10,526,100	1,194,400	8,900
10. Invasive Species Prevention and Control. Savings from temporary layoffs.	5,056,900	5,056,900	17,300
11. Legal Services. Savings from temporary layoffs.	657,500	91,000	1,600
12. Long Lake Boat Launch. The EO would eliminate this FY 2018-19 project. Funds had been carried forward into the current fiscal year as an encumbrance which would be released under the EO.	142,500	142,500	142,500
13. Marketing and Outreach. Savings from temporary layoffs.	14,166,300	277,000	4,200
14. Michigan Historical Center. Savings from temporary layoffs (\$106,500) and hiring freeze (\$700).	6,975,200	4,747,100	107,200
15. Property Management. Savings from temporary layoffs.	4,032,300	1,765,000	18,700
16. State Parks. Savings from temporary layoffs (\$40,800) and hiring freeze (\$25,400).	75,592,600	2,526,200	66,200
17. Wildfire Protection. Savings from temporary layoffs (\$48,400) and hiring freeze (\$220,100).	14,320,200	6,300,800	268,500
18. Wildlife and Fisheries Study. The Executive Order would eliminate one-time funding for this program.	200,000	200,000	200,000
19. Wildlife Management. Savings from temporary layoffs (\$74,700) and hiring freeze (\$3,000).	45,881,000	4,765,700	77,700
TOTAL REDUCTION:			\$1,846,200

EXECUTIVE ORDER 2020-155

DEPARTMENT OF STATE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Central Operations. Reduces discretionary funding for new initiatives.	53,094,000	353,900	353,900
2. Branch Operations. Reduces discretionary spending (\$114,200 GF/GP) and utilizes savings from a hiring freeze (\$132,400 GF/GP) and temporary layoffs (\$94,500 GF/GP).	91,450,900	2,364,000	341,100
3. Information Technology. Savings due to a hiring freeze for Information Technology Services and Projects.	38,625,700	1,599,700	237,700
4. Legal Services Operations. Savings due to a hiring freeze for Legal Services Operations.	15,542,700	1,028,200	79,900
5. Organ Donor Program. Reduces discretionary spending for the Organ Donor Program. This funding is for the cost of printing pamphlets and for postage costs for reply reforms.	129,100	79,000	68,900
6. Property Management. Savings from temporary layoffs.	9,966,500	0	16,700
TOTAL REDUCTION:			\$1,098,200

EXECUTIVE ORDER 2020-155

DEPARTMENT OF STATE POLICE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Departmentwide. Savings from discretionary reductions (\$90,200), programmatic reductions (\$300,000), and temporary layoffs (\$51,800).	\$41,908,500	\$40,290,600	\$442,000
2. Information Technology Services and Projects. Savings from discretionary reductions (\$250,000) and temporary layoffs (\$39,300).	2,833,290	13,968,900	289,300
3. Post Operations. Savings from discretionary reductions (\$506,100), programmatic reductions (\$102,971,400), hiring freeze (\$3,058,300) and temporary layoffs (\$655,000).	330,769,500	289,784,100	107,190,800
4. Biometrics and Identification. Savings from discretionary reductions (\$29,500), programmatic reductions (\$100,000), and temporary layoffs (\$28,100).	9,639,700	4,944,900	157,600
5. Criminal Justice Information Center. Savings from discretionary reductions (\$15,300), hiring freeze (\$152,600), and temporary layoffs (\$27,900).	22,456,300	3,331,400	195,800
6. Forensic Science. Savings from discretionary reductions (\$91,700), programmatic reductions (\$800,000), hiring freeze (\$416,100), and temporary layoffs (\$452,200).	47,113,700	32,566,500	1,760,000
7. Intelligence Operations. Savings from discretionary reductions (\$94,800), programmatic reductions (\$94,800), hiring freeze (\$668,600), and temporary layoffs (\$213,000).	28,151,300	25,286,500	1,071,200
8. Special Operations. Savings from discretionary reductions (\$44,200), programmatic reductions (\$228,500), hiring freeze (\$128,000), and temporary layoffs (\$38,200).	11,908,600	11,606,200	438,900
9. Department Services. Savings from programmatic reductions (\$200,000), hiring freeze (\$185,200) and temporary layoffs (\$140,800).	9,028,500	7,448,400	526,000
10. Training. Savings from hiring freeze (\$63,800), and temporary layoffs (\$20,300).	10,618,300	5,024,800	84,100
11. Standards and Training/Justice Training Grants. Savings from hiring freeze (\$159,700), and temporary layoffs (\$32,700).	10,995,500	1,271,200	192,400
12. Commercial Vehicle Enforcement. Savings from hiring freeze (\$1,700), and temporary layoffs (\$4,800).	31,925,400	1,129,600	6,500
13. Executive Direction. Savings from temporary layoffs (\$62,100).	4,301,700	3,763,400	62,100
14. Unclassified Salaries. Savings from temporary layoffs (\$93,700).	621,700	294,600	93,700
15. Secure Cities Partnership. Savings from programmatic reductions (\$1.0 million), and temporary layoffs (\$10,500).	7,798,900	7,798,900	1,010,500

16. Grants and Community Services. Savings from temporary layoffs (\$22,800).	15,933,900	883,100	22,800
17. Office of School Safety. Savings from temporary layoffs (\$7,700).	500,000	500,000	7,700
18. Public Safety Officers Benefit Program. Savings from temporary layoffs (\$200).	302,100	302,100	200
19. Emergency Management and Homeland Security. Savings from programmatic reductions (\$735,300), and temporary layoffs (\$30,100).	15,946,100	3,806,000	765,400
20. Hazardous Materials Program. Savings from temporary layoffs (\$6,000).	23,524,000	571,200	6,000
21. Highway Safety Program (Planning). Savings from temporary layoffs (\$7,800).	18,101,900	613,800	7,800
22. Investigative Services. Savings from programmatic reductions (\$670,000), and temporary layoffs (\$69,300).	33,256,900	8,057,000	739,300

TOTAL REDUCTION:	<hr/>		\$115,070,100
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*In addition to these reductions, it should be noted that Federal Coronavirus Relief Fund (CRF) dollars have been authorized for the department to pay for costs associated with the department response to the COVID-19 pandemic. The CRF dollars, authorized under Sec. 302 of PA 67 of 2020, total \$106.8 million for the Michigan State Police.

EXECUTIVE ORDER 2020-155

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. State Building Authority Rent - Universities. Reduces spending through anticipated lapses related to rent payments.	\$144,995,300	\$144,995,309	\$9,068,200
2. State Building Authority Rent - Department of Corrections. Reduces spending through anticipated lapses related to rent payments.	20,369,400	20,369,400	6,642,100
3. State Building Authority Rent - State Agencies. Reduces spending through anticipated lapses related to rent payments.	47,024,300	47,024,300	4,988,700
4. State Building Authority Rent - Community Colleges. Reduces spending through anticipated lapses related to rent payments.	34,181,600	34,181,600	2,401,000
5. Homeland Security Initiative/Cybersecurity. Reduces discretionary spending (\$893,100 GF/GP) and utilizes savings from hiring freezes (\$364,400 GF/GP) and temporary layoffs (\$32,800 GF/GP).	14,755,000	14,755,000	1,290,300
6. Administrative Services. Reduces discretionary spending (\$825,300 GF/GP) and utilizes savings from hiring freezes (\$200,000 GF/GP) and temporary layoffs (\$83,700 GF/GP).	24,357,700	5,877,900	1,109,200
7. Information Technology Services and Projects. Reduces funding for IT Pay for Performance (\$1.0 million GF/GP) and utilizes savings from temporary layoffs (\$196,700 GF/GP).	34,614,100	16,017,700	1,196,700
8. Budget and Financial Management. Savings from hiring freezes (\$781,500 GF/GP) and temporary layoffs (\$366,300 GF/GP).	36,225,500	25,181,400	1,147,800
9. Human Resources Operations and Agency Services. Discretionary spending reductions and hiring freeze and temporary layoffs savings.	52,536,600	19,116,400	2,288,200
10. Business Support Services. Realignment of the Internal Service Fund allows for a \$40,200 GF/GP reduction. Also reduces discretionary spending (\$244,200 GF/GP) and utilizes savings from hiring freezes (\$248,100 GF/GP) and temporary layoffs (\$113,200 GF/GP).	12,911,300	5,852,300	645,700
11. Enterprise Identity Management. Reduces discretionary spending (\$231,000) and utilizes savings from hiring freezes (\$85,000 GF/GP) and temporary layoffs (\$44,100 GF/GP).	9,785,200	9,785,200	360,100
12. Michigan Public Safety Communications System. Reduces spending through temporary layoffs.	48,268,200	46,004,400	239,600
13. Office of Children's Ombudsman. Reduces discretionary spending (\$90,600 GF/GP) and utilizes savings from hiring freezes (\$48,800 GF/GP) and temporary layoffs (\$34,800 GF/GP).	1,886,900	1,886,900	174,200

14. Bureau of Labor Market Information and Strategies. Savings from hiring freezes (\$79,600 GF/GP) and temporary layoffs (\$13,000 GF/GP).	5,784,400	893,800	92,600
15. Office of the State Employer. Reduces discretionary spending (\$27,700 GF/GP) and utilizes savings from hiring freezes (\$39,800 GF/GP) and temporary layoffs (\$14,100 GF/GP).	1,749,800	908,000	81,600
16. Executive Operations. Reduces discretionary spending (\$45,300 GF/GP) and utilizes savings from temporary layoffs (\$12,600).	2,416,100	255,200	57,900
17. Property Management. Savings from temporary layoffs.	8,067,200	5,461,900	37,700
18. Property Management - Executive/Legislature. Savings from temporary layoffs for Special Programs.	1,243,600	1,243,600	8,800
TOTAL REDUCTION:	<hr/>		\$31,830,400

EXECUTIVE ORDER 2020-155

DEPARTMENT OF TRANSPORTATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. General Fund Fixing Roads and Bridges. Originally passed by the legislature as a \$400 general fund line for road and bridge projects, subsequent vetoes and transfers reduced the line to \$13.0 million, designated for use within the Department's local bridge program.	\$13,000,100	\$13,000,100	\$13,000,100
2. Transportation Economic Development: Targeted Industries. Targeted industries include agriculture, tourism, forestry, technology research, manufacturing, mining, and office or medical centers of not less than 50,000 square feet.	17,129,400	0	13,000,000
TOTAL REDUCTION:			\$26,000,100

EXECUTIVE ORDER 2020-155

DEPARTMENT OF TREASURY - OPERATIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Collections Services Bureau. Includes discretionary spending reductions (\$400,000) and temporary layoffs (\$14,400).	\$29,597,900	\$524,500	\$414,400
2. Department Services. Includes discretionary spending reductions (\$650,000) and temporary layoffs (\$59,400).	9,178,300	2,593,800	709,400
3. Executive Direction and Operations. Includes discretionary spending reductions (\$600,000) and temporary layoffs (\$107,900).	9,122,800	5,210,700	707,900
4. Local Finance. Includes discretionary spending reductions (\$50,000) and temporary layoffs (\$1,000).	2,689,700	1,291,200	51,000
5. Office of Revenue and Tax Analysis. Includes discretionary spending reductions (\$150,000) and temporary layoffs (\$28,800).	3,924,000	1,696,700	178,800
6. Property Management. Includes discretionary spending reductions (\$100,000) and temporary layoffs (\$25,500).	6,726,600	3,609,600	125,500
7. State and Authority Finance. Includes discretionary spending reductions (\$40,000) and temporary layoffs (\$9,900).	1,718,300	402,400	49,900
8. Student Financial Assistance Programs. Includes discretionary spending reductions (\$65,000) and temporary layoffs (\$31,900).	2,794,200	1,590,700	96,900
9. Supervision of the General Property Tax Law. Includes discretionary spending reductions (\$350,000) and temporary layoffs (\$191,800).	16,366,100	12,625,800	541,800
10. Tax and Economic Policy. Includes discretionary spending reductions (\$300,000) and temporary layoffs (\$56,100).	8,965,200	3,412,000	356,100
11. Tax Compliance. Includes temporary layoffs (\$7,500).	44,738,800	370,400	7,500
12. Tax Processing. Includes temporary layoffs (\$269,600).	41,222,800	12,587,200	269,600
13. Tobacco Tax Enforcement. Includes discretionary spending reductions (\$150,000) and temporary layoffs (\$54,600).	1,553,700	1,553,700	204,600
14. Information Technology. Includes temporary layoffs (\$111,700).	38,664,700	16,992,200	111,700
TOTAL REDUCTION:			\$3,825,100

APPENDIX B

WORK PROJECT LAPSES

WORK PROJECT LAPSES

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
22. Dairy Industry Assistance Program. Lapse of remaining \$15,800 of original FY 2018-19 appropriation of \$1.0 million GF/GP, established to assist dairy farmers in economic difficulty.	\$0	\$0	\$15,800
23. Industrial Hemp. Lapse of remaining GF/GP support for industrial hemp statewide research program from FY 2018-19.	0	0	500,000
24. Food and Agriculture Investment Program. Lapse of unspent funds from FY 2018-19 grant program, originally appropriated at \$5,125,000 GF/GP.	0	0	800,700
25. Thoroughbred Horse Racing. Lapse of GF/GP appropriation for Horse Racing - Purse Funding from FY 2017-18, designed to support thoroughbred racing, which at this time is not held in the state.	0	0	250,000
26. Livestock Market IT Enhancements. Lapse of remaining GF/GP funds from a project to digitize aspects of livestock regulation.	0	0	38,000
TOTAL REDUCTION:			\$1,604,500

WORK PROJECT LAPSES

DEPARTMENT OF ATTORNEY GENERAL

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. OK2SAY Student Safety Program (FY 2017-18). This program is being redesigned. The Governor has recommended that the program be moved to the Department of Michigan State Police. Funds may lapse without negatively affecting services.	\$1,300,000	\$1,300,000	\$543,500
2. Bad Faith Patent Infringement Claims Act (FY 2017-18). Funds are available due to lack of cases filed under the Act.	180,000	0	180,000
TOTAL REDUCTION:			\$723,500

WORK PROJECT LAPSES

DEPARTMENT OF CIVIL RIGHTS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Civil Rights Information System (FY 2018-19). Lapses funds available following the completion of the current phases of the CRIS project.	\$425,522	\$425,522	\$150,500
2. Leased Space Remodel (FY 2017-18). Lapses funds available following the completion of leased space remodeling project.	200,000	200,000	89,100
TOTAL REDUCTION:			\$239,600

WORK PROJECT LAPSES

DEPARTMENT OF CORRECTIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Facility Physical Plant Projects/Operating Funds (FY 2018-19). Lapses funds available due to the relocation of the Special Alternative Incarceration Program to the Cooper Street Correctional Facility.	\$11,399,300	\$11,399,300	\$6,148,400
2. Physical Plant Project Utilizing Operating Funds (FY 2017-18). Lapses funds available as a result of the West Shoreline Correctional Facility closure in FY 2019.	4,667,900	4,667,900	3,251,600
3. Supervising Region Incentive Program (FYs 2016-17 and 2017-18). Eliminates dedicated work project funding.	2,993,000	2,993,000	2,993,200
4. Ojibway Correctional Facility Closure Costs and Site Maintenance (FY 2017-18). Lapses funds available as a result of the Ojibway Correctional Facility closure in December 2019.	1,386,300	1,386,300	1,300,000
5. Pugsley Correctional Facility Closure Costs and Site Maintenance (FY 2017-18). Lapses funds available as a result of the Ojibway Correctional Facility closure in December 2019	1,305,300	1,305,300	1,300,000
6. Staff Transition Costs. Eliminates dedicated work project funding.	824,600	824,600	824,600
7. Offender Success Community Partners (FY 2018-19). Eliminates dedicated work project funding used to incentivize community offender success providers to reduce recidivism.	727,000	727,000	727,000
8. Offender Success Community Partners (FY 2017-18). Partially lapses dedicated work project funding used to incentivize community offender success providers to reduce recidivism.	1,859,600	1,859,600	359,600
9. Education/Vocational Village Enhancements. Lapses funds available for vocational village enhancements.	1,750,000	1,750,000	1,750,000
TOTAL REDUCTION:			\$18,654,400

WORK PROJECT LAPSES

DEPARTMENT OF EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Michigan Health Curriculum Standards. The purpose of this project was to implement Michigan's primary health curriculum to align with the standards that were adopted by the State Board of Education. The lapse could delay implementation of the new curriculum standards.	\$0	\$0	\$249,800
2. E-Rate Enhancement Grants. The purpose of this grant program was to provide matching dollars to schools, ISDs, and libraries for broadband infrastructure projects approved by the Universal Service Administrative Company. The lapse will not impact grants that have been approved.	0	0	1,000,000
3. Educator Evaluation. The purpose of this project was to upgrade the Michigan Online Educator Certification System to include year-end performance ratings for all educators and administrators. The lapse is not expected to delay the completion of this project.	0	0	339,100
TOTAL REDUCTION:			\$1,588,900

WORK PROJECT LAPSES

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Inland Lake Aquatic Invasive Plant Species Control. Reduce Funding. \$1.0 million GF/GP of one-time funding was added to the FY 2018-19 budget through a supplemental appropriation. The program was intended to provide grants to inland lake associations for eradication and control of invasive aquatic plant species. Thus far only \$25,000 of the original appropriation has been utilized so this reduction would eliminate the remaining funding.	\$0	\$0	\$975,000
TOTAL REDUCTION:			\$975,000

WORK PROJECT LAPSES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
<p>1. Michigan Medical Resident Loan Repayment Program. The State Budget Director ordered a lapse of \$4.6 million from the FY 2018-19 work project for the MiLES Program as provided by Sec. 1918 of Article X of PA 2017 of 2018. FY 2018-19 was the first and only year of appropriations for the MiLES program, which provided \$5.0 million Gross and GF/GP for a 5-year program to provide medical education loan repayment for physicians in primary care and other general subspecialties who committed to practice for 2 years in a medically underserved community following completion of residency. The entire \$4.6 million in unspent work project balance will lapse to the General Fund.</p>	\$0	\$0	\$4,634,900
<p>2. Hepatitis A Outbreak Response. The State Budget Director ordered a lapse of \$ \$3.4 million from the FY 2018-19 work project to address the Hepatitis A outbreak in southeast Michigan. FY 2018-19 was the second year of appropriations for Hepatitis A response. Appropriations for this program were \$7.1 million Gross and GF/GP in FY 2017-18 (funding was moved from the Physician Services line to the Local Health Services and Public Health Administration line items by Legislative Transfer Request 2018-1), and \$7.1 million Gross and GF/GP in FY 2018-19 (funding was included in the budget by PA 618 of 2018). All of the \$3.4 million in unspent work project balances will lapse to the General Fund.</p>	0	0	3,393,700
<p>3. Behavioral Health Program Administration. The State Budget Director ordered a lapse of \$2.3 million from the FY 2018-19 work project for the Michigan CARES Hotline as provided by Sec. 456 of PA 618 of 2018. The CARES Hotline connects individuals experiencing a behavioral health crisis, to local mental health providers using telecommunications and digital communication methods. FY 2018-19 was the first and only year of appropriations for the CARES Hotline with the with the inclusion of \$3.0 million Gross and GF/GP in Sec. 456 of PA 618 of 2018. Although the Legislature appropriated \$2.0 million Gross and GF/GP for the CARES Hotline in FY 2019-20, the funding was vetoed by the Governor and hasn't been restored. Of the \$3.1 million in unspent work project balance, \$2.3 million will lapse to the General Fund.</p>	0	0	2,300,000

<p>4. Epidemiology Administration. The State Budget Director ordered a lapse of \$1.6 million GF/GP and \$1.3 million in Healthy Michigan Fund from the FY 2017-18 work project related to the establishment of a Public Health Investigations Unit to attend to environmental matters such as Agency for Toxic Substances and Disease Registry (ATSDR) sites, drinking water contamination, and vapor intrusion sites. There is \$2.9 million Gross left in the work project balance of which \$1.7 million is GF/GP. \$2.8 million of the remaining work project balance will lapse to the General Fund.</p>	0	0	1,635,000
<p>5. Healthy Michigan Plan Administration. The State Budget Director ordered a lapse of \$1.1 million from the FY 2018-19 work project for outreach and communication related to the Healthy Michigan Plan (HMP) Work Engagement legislation. FY 2018-19 was the first year of appropriations related to implementation of the HMP work engagement legislation with the inclusion of \$1.5 million Gross and \$750,200 GF/GP in PA 618 of 2018. In FY 2019-20 \$36.2 million Gross and \$23.1 million GF/GP was appropriated for these activities, although E.O. 2020-155 removes \$2.5 million GF/GP from this amount. Of the \$1.1 million in unspent work project balance, all but \$100 will lapse to the General Fund.</p>	36,215,400	23,107,700	1,118,700
<p>6. Title IX Regional Consortium Pilot Program The State Budget Director ordered a lapse of \$1.0 million from the FY 2017-18 work project designed to create network of regional centers staffed with trained professionals and investigators to investigate and resolve reports of sexual assault and misconduct in on college and university campuses in an appropriate and timely manner. There is a \$1.0 million remaining work project balance and the entire balance will lapse to the General Fund.</p>	0	0	1,000,000
<p>7. Expansion of Lab Capacity to Support PFAS Response. The State Budget Director ordered a lapse of \$1.0 million from the FY 2017-18 work project used for joint project with the department, Kent County public health department, and United States Centers for Disease Control and Prevention to conduct a PFAS exposure assessment. An ongoing line-item for PFAS laboratory testing and analysis has been included since FY 2018-19. Assessment will attempt to determine PFAS human exposure and concentration levels for residents with private drinking water wells in northern Kent County. \$3.7 Gross and GF/GP is the remaining work project balance and \$1.0 million of the balance will lapse to the General Fund.</p>	21,633,700	21,633,700	1,000,000
<p>8. Healthy Homes Program. The State Budget Director ordered a lapse of \$0.8 million from the FY 2018-19 work project dedicated to support costs for communities with public water systems that exceed levels of lead and copper under the State's Action Level Exceedance (ALE) response. ALE response activities include printing educational materials, filter provision, drinking water analysis, and public health investigations. The remaining work project balance is \$898,400 Gross and GF/GP of which \$803,500 will lapse to the General Fund.</p>	0	0	803,500

<p>9. Information Technology Services and Projects. The State Budget Director ordered a lapse of \$0.8 million from the FY 2018-19 work project committed in developing information technology system for web-based electronic birth certificate program as current system has been deemed obsolete and existing support will end. There is a work project balance of \$3.7 million Gross/\$1.8 million GF/GP. \$699,000 of the work project balance will lapse to the General Fund.</p>	0	0	699,000
<p>10. Laboratory Services. The State Budget Director ordered a lapse of \$0.5 million from the FY 2018-19 work project based on Sec. 1170 of Article X of PA 207 of 2018 to develop and validate method to determine specific type of opioid or other drugs in cases where death is due to suspected overdose. The original appropriation in PA 207 of 2018 was \$1.0 million Gross and GF/GP. The remaining work project balance is \$974,100 Gross and GF/GP and \$500,000 will lapse to the General Fund.</p>	0	0	500,000
<p>11. PFAS Environmental Health Toxicology and Response. The State Budget Director ordered a lapse of \$0.5 million from the FY 2017-18 work project used to conduct PFAS investigations in water, air, soil, and food to determine presence of public health hazards. The work project has a balance of \$915,800 Gross and GF/GP. Of the remaining balance \$500,000 will lapse to the General Fund.</p>	0	0	500,000
<p>12. Primary Care Services. The State Budget Director ordered a lapse of \$500,000 from the FY 2018-19 Early Primary Care Incentive Program as specified in Sec. 1147 of Article X of PA 207 of 2018. FY 2018-19 was the second year of appropriation for this program, which placed primary care physicians in medically underserved areas by offering loan repayment up to \$50,000 for a 2-year commitment. Appropriations for this program were \$1.0 million Gross and GF/GP in FY 2017-18 and \$500,000 Gross and GF/GP in FY 2018-19. All of the \$500,000 in unspent work project balance will lapse back to the General Fund.</p>	0	0	500,000
<p>13. Healthy Michigan Plan Waiver Implementation-IT. The State Budget Director ordered a lapse of \$410,800 from the FY 2018-19 work project for necessary information technology changes to implement the Healthy Michigan Plan work engagement legislation. FY 2018-19 was the first and only year of appropriation for this program with the inclusion of \$13.5 million Gross and \$1.6 million GF/GP of one-time funding in PA 618 of 2019. All of the \$410,800 in unspent work project balance will lapse to the General Fund.</p>	0	0	410,800

<p>14. Behavioral Health Program Administration. The State Budget Director ordered a lapse of \$400,000 from the FY 2016-17 work project to implement the recommendations of the Mental Health and Wellness Commission. In 2014 the Mental Health and Wellness Commission released a report outlining 60 recommendations that could be implemented to improve the lives and outcomes of individuals with behavioral health issues. FY 2016-17 was the third year of appropriations for this program. Appropriations for this program were \$33.6 million Gross and \$11.4 million GF/GP in FY 2014-15, \$27.6 million Gross and \$9.3 million GF/GP in FY 2015-16, \$22.1 million Gross and \$7.5 million GF/GP in FY 2016-17, \$19.8 million Gross and \$6.7 million GF/GP in FY 2017-18, \$10.8 million Gross and \$1.0 million GF/GP in FY 2018-19, and \$8.0 million Gross and \$0 GF/GP in FY 2019-20. Of the \$6.1 million in unspent work project balances, \$400,000 will lapse to the General Fund.</p>	8,045,000	0	400,000
<p>15. Dental Services. The State Budget Director ordered a lapse of \$374,500 from the FY 2016-17 At-Risk Mothers and Children Dental Program which supports the enhancement of the Medicaid adult dental benefit for pregnant women enrolled in Medicaid. FY 2016-17 was the first year of appropriations for this program. Appropriations for this program were \$2.7 million Gross and \$1.0 million GF/GP in FY 2016-17 and FY 2017-18, \$6.0 million Gross and \$2.1 million GF/GP in FY 2018-19, \$6.0 million Gross and \$2.2 million GF/GP in FY 2019-20. All of the \$374,500 in unspent work project balance will lapse to the General Fund.</p>	6,000,000	2,156,400	374,500
<p>16. Medical Services Administration (Cloud based). The State Budget Director ordered a lapse of \$312,400 from the FY 2016-17 Cloud-Based Implementation for Analytics Platform for Medicaid Claims project. This project will create a cloud-based, interactive analytics platform for Medicaid claims to identify areas of potential cost reduction and compare cost information across health providers, hospitals and managed care organizations. FY 2016-17 was the first and only year of appropriations for this program with an appropriation of \$500,00 Gross and GF/GP. Funding of \$200,000 Gross and GF/GP was included in both the FY 2019-20 DHHS budget and PA 123 of 2020 but was vetoed both times. All of the \$312,400 in unspent work project balance will lapse to the General Fund.</p>	0	0	312,400
<p>17. Departmental Administration and Management. The State Budget Director ordered a lapse of \$288,600 from the FY 2017-18 work project used to unify 5 legal filing systems used within the department into 1 electronic filing system for document management, work requests, subpoenas, and Freedom of Information Act requests. \$524,400 Gross and \$288,600 GF/GP remains in the balance of the work project of which \$288,600 will lapse to the General Fund.</p>	0	0	288,600

<p>18. Employment and Training Support Services The State Budget Director ordered a lapse of \$118,800 from the FY 2015-16 work project supporting Michigan Career Technical Institute (MCTI) pilot project in Detroit, Benton Harbor, Grand Rapids, and Muskegon to provide training for careers that offer opportunity to earn a higher income and career advancement. \$472,300 Gross is the remaining work project balance with \$118,800 GF/GP. All of the remaining GF/GP unspent work project balance will lapse to the General Fund.</p>	0	0	118,800
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TOTAL REDUCTION:	\$19,989,900
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WORK PROJECT LAPSES

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Business Attraction and Community Revitalization. This work project is designated for business attraction and community revitalization loans or grants. The lapse will not impact current loan and grant commitments made by the MSF. The fund source for this project is 21 st Century Jobs Trust Fund dollars. These funds will be used to replace GF/GP dollars in the FY 2019-20 budget.	79,379,900	51,779,900	\$20,000,000
2. Entrepreneurship Eco-System. This work project supports the Entrepreneurship Eco-System program. The lapse will not impact current commitments made by the MSF. The fund source for this project is 21 st Century Jobs Trust Fund dollars. These funds will be used to replace GF/GP dollars in the FY 2019-20 budget.	16,400,000	0	3,000,000
3. Michigan Enhancement Grants. The lapse for this work project is the amount remaining after all grants and projects have been completed.	0	0	1,075,000
4. Michigan Enhancement Grants. The lapse for this work project is the amount remaining after all grants and projects have been completed.	0	0	125,200
5. Michigan Film Office. This project supported the Michigan Film Office with Film Promotion Fund dollars. The available funds in the Film Promotion Fund will then be deposited into the General Fund.	0	0	1,000,000
6. Prevailing Wage Repeal. This project is designated for implementation of the prevailing wage law repeal.	0	0	64,200
7. Special Legislative Grants. The lapse for this work project is the amount remaining after all grants and projects have been completed.	0	0	7,600
8. Transitional Population Service. This work project supports refugees and transitional populations through the Office of New Americans. The lapse will eliminate the remaining balance in the work project.	0	0	173,500
TOTAL REDUCTION:			\$25,445,500

WORK PROJECT LAPSES

LEGISLATURE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Legislative Service Bureau. Lapses funds from work projects for the State Drug Treatment Court Committee and workers compensation. Reductions equate to a 5% GF/GP reduction for the Legislature budget.	N/A	N/A	\$136,700
2. House of Representatives. Lapses funds from work projects for automated data processing and the Cora Anderson Building. Reductions equate to a 5% GF/GP reduction for the Legislature budget.	N/A	N/A	4,641,100
3. Senate. Lapses funds from work projects for Senate building and other properties and end of term savings. Reductions equate to a 5% GF/GP reduction for the Legislature budget.	N/A	N/A	4,640,900
TOTAL REDUCTION:			\$9,418,700

WORK PROJECT LAPSES

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Michigan Indigent Defense Commission Compliance Plans (FY 2016-17). Reduces funding for reimbursing local units for indigent defense compliance plan costs. The Commission is not statutorily required to make these reimbursements.	5,470,161	5,470,161	\$2,394,700
TOTAL REDUCTION:			\$2,394,700

WORK PROJECT LAPSES

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Michigan Veterans Affairs Agency Webb-Based Grant Management Project. Lapse entire funding for FY 2018-19 grant project that would provide an upgrade to grant management processes.	\$0	\$0	\$603,500
2. Vietnam Veterans Outreach. Lapse remaining balance of ongoing FY 2018-19 outreach project, originally appropriated at \$600,000 GF/GP.	0	0	400,000
3. Why Michigan Mobile App. Lapse remainder of FY 2017-18 work project of \$181,400 GF/GP, designed to create a smart device app to communicate with veterans.	0	0	50,000
TOTAL REDUCTION:			\$1,053,500

WORK PROJECT LAPSES

DEPARTMENT OF NATURAL RESOURCES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Leland and Good Harbor Bay Reef Improvements. This project was originally authorized in FY 2018-19 under Public Act 618 of 2018. The project has not progressed to the point where funds have been encumbered or spent, so the lapse amount is for the entire amount of the project.	\$0	\$0	\$500,000
2. Pheasant Hunting Initiative. This initiative was originally authorized for \$260,000 in FY 2018-19 under Public Act 618 of 2018 as a one-time expenditure. The goal of the initiative was to stock State game areas with pheasants to improve the pheasant populations in those areas. The lapse listed is for all remaining funds as roughly 60% of the funds have already been spent.	0	0	104,100
TOTAL REDUCTION:			\$604,100

WORK PROJECT LAPSES

SCHOOL AID

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
<p>1. Marshall Plan for Talent. The Marshall Plan for Talent appropriations were enacted in FY 2017-18 and a work project for that fiscal year was designated. The amount of the work project was \$40.0 million. This proposal would lapse the remaining \$9.7 million (from competency grants, cyber security programs, merit curriculum integration, innovative educator program, going pro campaign, and talent marketing campaign) to be used to offset shortfalls in the School Aid budget.</p>	\$0	\$0	\$9,717,800
<p>2. Education Data Decision Support System. This funding was part of the Michigan school data web redesign, and it was first booked as a work project in 2015-16. As this is the last year the work project would be authorized, the remaining unspent funding is proposed to be lapsed and applied to the shortfall in the School Aid budget.</p>	0	0	3,900,000
TOTAL REDUCTION:			\$13,617,800

WORK PROJECT LAPSES

DEPARTMENT OF STATE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Commercial Driver License Testing Kiosk Refresh (FY 2018-19). Removes funding for a project to replace the hardware of 484 commercial driver license testing kiosks in Secretary of State branch offices.	\$600,000	\$350,100	\$600,000
TOTAL REDUCTION:			\$600,000

WORK PROJECT LAPSES

DEPARTMENT OF STATE POLICE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Roadside Saliva Testing Pilot Project. Lapse remaining \$267,700 GF/GP from FY 2018-19 work project, originally appropriated at \$625,000 GF/GP under PA 618 of 2018.	\$0	\$0	\$267,700
TOTAL REDUCTION:			\$267,700

WORK PROJECT LAPSES

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Retirement System Updates (FY 2018-19). Reduces funding for ongoing updates to the Michigan State Police Retirement System and the Michigan Public School Employees' Retirement System. Internal departmental savings will be used to replace reduced funds.	\$3,656,200	\$691,600	\$691,600
2. SIGMA Implementation (FY 2016-17). Reduces funding used for implementing SIGMA for Financial Services.	541,900	158,100	158,100
3. Special Projects (FY 2016-17). Reduces funding that supports the State Budget Office.	250,000	250,000	250,000
4. Enterprisewide Project Management (FY 2017-18). Reduces funding for the support of IT project management.	250,000	250,000	86,800
5. Special projects (FY 2015-16). Reduces funding that supports the State Budget Office.	400,720	400,720	83,200
TOTAL REDUCTION:			\$1,269,700

WORK PROJECT LAPSES

DEPARTMENT OF TREASURY - OPERATIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2019-20 Reduction Amount
1. Financial Data Analytic Tool Reimbursement. This project provides reimbursement grants to local units of government that purchase financial data analytic tools. The amount being lapse is after all reimbursements have been made for 2020.	0	0	\$603,000
2. Qualified Agricultural Loan Origination Program. Provides financial assistance to farmers due to crop loss or damages in 2019. The program had very few farmers apply for the assistance and only \$325,000 has been used.	0	0	14,675,000
3. Litigation Fund. This work project pays for lawsuits involving Indian tribes and other items not covered by the Attorney General.	0	0	267,600
4. Data Analytics. This project supports data analytics for the department and its various oversight of local units of government and schools. The project has not moved forward as the Department has not been able to identify a vendor to complete the project. This lapse would eliminate the project.	0	0	1,749,600
5. Motor Fuel and Tobacco Tax System Replacement. This work project supported replacement of the Motor Fuel and Tobacco Tax systems after the previous vendor no longer offered the software for the system. The project was largely completed in 2018 well under the original budget. The lapse will not impact the system.	0	0	1,381,900
6. Material Internal Control Weakness Remediation and Accountability Program. This project supports security and IT policy, standards, and procedures to meet audit controls for the department. The project has largely been completed and the lapse is not expected to impact department functions.	0	0	1,681,700
7. Enterprise System Integration II. This project supported integration of collections and financial services into SIGMA. The project was largely completed in 2018, with remaining dollars used to support any additional that might be required.	0	0	200,000
8. Treasury Legacy Replacement. This work project sought to replace the Hearing Tracking system, E-Signature, Tidal, and Eskort system. There are available dollars since some projects were completed under budget and one was halted (E-Signature). The lapse would not impact any current systems.	0	0	1,920,300
TOTAL REDUCTION:			\$22,479,100

APPENDIX C
GENERAL SUPPLEMENTAL
H.B. 5265

Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536Telephone: (517) 373-5383
Fax: (517) 373-1986House Bill 5265 (Substitute S-2)
Sponsor: Representative Shane Hernandez
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 7-22-20

CONTENT

The bill is part of the proposed fiscal year (FY) 2019-20 budget agreement, which includes an Executive Order reducing spending, work project lapses, and proposed budget implementation bills that would lapse certain Restricted funds. The supplemental would reduce General Fund/General Purpose (GF/GP) spending by \$538.7 million in Part 1 with a further \$6.9 million reduction in boilerplate while increasing Gross spending by \$1,008.7 million. Table 1 summarizes the appropriations in the supplemental.

Table 1

FY 2019-20 Supplemental Appropriations		
Budget Area	Gross	GF/GP
Attorney General	\$0	(\$459,600)
Corrections	0	(2,000,000)
Education	(3,000,000)	(1,865,500)
Health & Human Services	1,008,937,900	(426,649,400)
Judiciary	(3,120,000)	(2,550,000)
Labor and Economic Opportunity	(3,000,000)	0
Licensing & Regulatory Affairs	0	(1,500,000)
Military and Veterans Affairs	420,000	(147,600)
State	0	(200,000)
State Police	0	(2,693,400)
Technology, Management, and Budget	(100,000,000)	(102,582,700)
Treasury	108,453,100	1,975,000
TOTAL	\$1,008,691,000	(\$538,673,200)

FISCAL IMPACT

The bill would make a number of changes to FY 2019-20 appropriations. The largest changes would be in the Department of Health and Human Services (DHHS). These proposed changes include a \$523.6 million GF/GP savings tied to the enhanced Federal Medicaid match rate, which increased from 64.06% to 70.26%, effective retroactive to January 1, 2020. The DHHS portion of the bill recognizes \$600.0 million in Federal funds to cover projected Food Assistance Program costs. The bill includes a net increase of \$190.1 million GF/GP to cover DHHS base and caseload costs agreed to at the May 2020 Consensus Revenue Estimating Conference. The bill reflects \$125.0 million GF/GP savings in the DHHS and the Department of Technology, Management, and Budget due to the Federal decision to waive State match requirements for Federal Emergency Management Agency (FEMA) funding. The bill also includes \$47.0 million GF/GP in savings due to fund source swaps through which available excess Restricted revenues would be used to reduce GF/GP costs. Part 1 of the bill reduces GF/GP spending by \$538.7 million, but the bill also includes two boilerplate lapses of Restricted funds (Sections 501 and 701) that would further reduce GF/GP costs by a total of

\$6.9 million, so the total GF/GP impact of the bill is a reduction in GF/GP spending of \$545.6 million. Table 2 includes a more detailed listing of Part 1 appropriations in the bill.

FY 2019-20 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 204. General. Directs that appropriated funds are subject to Federal audit and reporting requirements. Requires prompt action if instances of noncompliance are identified and directs the State Budget Director to rectify any noncompliance issues and to inform the Appropriations Committees and fiscal agencies in the case of noncompliance. Requires all subrecipients receiving funds to comply with Federal receipt provisions requirements in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and permits State departments administering Federal funds to require documentation necessary to ensure compliance. Directs that any funding to a subrecipient that does not adhere to CARES Act provisions be returned to the State and requires the State Budget Director to withhold payment of State funds to any subrecipient that does not spend funds consistent with the CARES Act or Federal regulations.

Sec. 205. General. Requires the State Budget Director to report monthly on all coronavirus relief effort funds to the Appropriations Committees and the fiscal agencies.

Sec. 206. General. Directs that Federal Coronavirus Relief Fund (CRF) dollars in part 1 of the bill that are appropriated in this bill supersede and replace CRF dollars that were authorized under authority granted to the Governor for 90 days under Public Act 67 of 2020.

Sec. 401. Health and Human Services. Creates a two-way risk corridor for FY 2019-20 for existing contracts with Medicaid health plans. This risk corridor would be designed to help recapture reduced costs and resultant net revenues accruing to Medicaid health plans during the COVID-19 pandemic when many medical procedures were delayed. The risk corridor would allow for the first portion of any net costs or savings to accrue to the Medicaid health plans, with the next portion of any net costs or savings being split 50-50 between the Medicaid health plans and the State. The final portion of any net costs or savings would be 100% at the State's risk.

Sec. 402. Health and Human Services. Sets conditions on funding appropriated in the bill to the West Michigan Partnership for Children Consortium in Kent County. The language creates a restructured payment methodology using a global capitated payment model based on historical averages of children in foster care and their average cost. The Consortium would be required to manage the cost of the population served and the capitated payment amount would be reviewed and adjusted on a periodic basis. The language also requires that the Consortium maintain a risk reserve of at least \$1.5 million and requires the Consortium to submit a plan on how they will manage expenses.

Sec. 501. Labor and Economic Opportunity. Directs that the State Budget Director effectuate a transfer of \$1.4 million from Restricted funds within the Michigan Strategic Fund to the General Fund.

Sec. 502. Labor and Economic Opportunity. Rewrites the Small Business Restart Grant language (Sec. 503 of Public Act 123 of 2020) to change the cap of \$20,000 to allow a business that received a grant under the Michigan Small Business Relief Program to receive a grant for up to the amount between what they received and \$20,000.

Sec. 601. Legislature. States intent of the Legislature that \$9,418,300 in State GF/GP work project authorization funds will lapse from the Legislature's budget in FY 2019-20.

Sec. 701. Transportation. Directs the State Budget Director to take actions necessary to lapse remaining revenue from the Roads and Risks Reserve Fund.

Sec. 801. Treasury. Rewrites the First Responder Hazard Pay Premiums language (Sec. 601 of Public Act 123 of 2020) to expand the definition of applicant to include a local government authority, intergovernmental agency, or organization that employs local public safety or local public health personnel that was established by a municipality or group of municipalities for the primary purpose of providing public safety or public health services.

Sec. 802. Treasury. Language governing the teacher COVID-19 grants appropriated in part 1. Directs that equal payments be made to eligible K-12 classroom teachers who teach in a public school or nonprofit nonpublic school. Directs that grants be up to \$500 per full-time equated teacher. Permits the Department of Treasury to retain up to 0.5% of the funding for administrative costs.

Sec. 803. Treasury. Rewrites the Local Units of Government grants language (Sec. 604 of Public Act 123 of 2020) to extend the submission date from July 17, 2020, to one week after the effective date of the bill. Expands the entities eligible to receive funding to include local government authorities, intergovernmental agencies, or organizations that employ local public safety or local public health personnel. Directs that counties or cities that received direct Federal allocations are only eligible to the extent that they reimbursed, with non-Federal funds, contracting local units of government, local government authorities, or intergovernmental agencies for costs of contracted non-Federal payroll for the eligible period.

Sec. 804. Treasury. Directs the Department of Treasury to reduce city, village, and township revenue sharing, county revenue sharing, and the county incentive program by amounts equivalent to each local unit's August revenue sharing payment.

Sec. 805. Treasury. Directs that the Coronavirus Relief Grants in part 1 be distributed to cities, villages, townships, and counties that would have received revenue sharing payments in August, proportionate to the size of the reduction. Directs that recipient entities spend received funds in compliance with the provisions of the Federal CARES Act, and requires any funds not spent in an appropriate manner to be returned to the State.

Sec. 806. Treasury. Directs that State funds to local units of government for the remainder of the fiscal year be appropriated only if the revenue is necessary to satisfy debt service obligations through an intercept agreement between the local unit and the state treasurer before July 1, 2020, and the amount of revenue does not exceed the amount of revenue sharing revenue the local unit was scheduled to receive in August 2020, with the local unit agreeing to return the full amount of the appropriation from any legally available funds. If a local unit is unable to return the revenue, the Department of Treasury must establish a receivable and recoup the amount from revenue sharing payments in FY 2020-21.

Enacting Section 1. Repealers. Repeals provisions in Public Acts 66 and 67 of 2020 governing the Coronavirus Public Health Emergency and Coronavirus Response Fund as those two lines would be zeroed out in this bill. Enacting Section 1 also repeals boilerplate from Public Act 123 of 2020 that would be rewritten and replaced by Sections 502, 801, and 803 of the bill.

Table 2

FY 2019-20 Supplemental Appropriations				
Department/Program	Gross	Federal	Other	GF/GP
Attorney General				
Operations Fund	\$0	\$0	\$459,600	(\$459,600)
Total Attorney General	\$0	\$0	\$459,600	(\$459,600)
Corrections				
Parole and Probation oversight fees	\$0	\$0	\$2,000,000	(\$2,000,000)
Total Corrections	\$0	\$0	\$2,000,000	(\$2,000,000)
Education				
Certification fees fund shift	\$0	\$0	\$1,865,500	(\$1,865,500)
Child development & care caseload consensus	(3,000,000)	(3,000,000)	0	0
Total Education	(\$3,000,000)	\$3,000,000	\$1,865,500	(\$1,865,500)
Health and Human Services				
Child welfare base and caseload consensus	\$23,039,100	(\$5,173,500)	\$2,501,100	\$25,711,500
Public assistance base and caseload consensus	33,591,800	5,000,000	(2,131,300)	30,723,100
Food assistance expenditure adjustment	600,000,000	600,000,000	0	0
Behavioral health services base consensus	82,506,500	65,382,200	(2,028,100)	19,152,400
Medical services base and caseload consensus	425,584,900	289,167,800	21,934,200	114,482,900
Remove GF/GP for FEMA match	(25,000,000)	0	0	(25,000,000)
West Michigan Partnership for Children base	10,650,000	2,695,000	0	7,955,000
Federal and local grant adjustments	20,792,700	9,750,000	11,042,700	0
Fund source savings from GME shift	0	2,746,000	0	(2,746,000)
Recognition of Health Plan savings	(162,227,100)	(127,227,100)	0	(35,000,000)
Recognize additional AIDS drug rebate revenue	30,000,000	0	30,000,000	0
Medicaid Benefits Trust Fund revenue	0	0	10,000,000	(10,000,000)
Recognize add'l newborn screening revenue	0	0	1,000,000	(1,000,000)
Recognition of TANF savings from LEO	0	3,000,000	0	(3,000,000)
1st/3rd party revenue to support State facilities	0	0	13,100,000	(13,100,000)
Impact of enhanced Federal Medicaid match rate	(30,000,000)	493,328,300	0	(523,328,300)
Recognition of additional Merit Award revenue	0	0	11,500,000	(11,500,000)
Total Health and Human Services	\$1,008,937,900	\$1,338,668,700	\$96,918,600	(\$426,649,400)
Judiciary				
Discretionary spending reductions	(\$3,120,000)	\$0	(\$570,000)	(\$2,550,000)
Total Judiciary	(\$3,120,000)	\$0	(\$570,000)	(\$2,550,000)
Labor and Economic Opportunity				
Boilerplate lapse of prior year restricted funds	\$0	\$0	\$0	\$0
Boilerplate lapse of prior year restricted funds	0	0	0	0
Small business restart grants pos/neg (\$100M)	(3,000,000)	(3,000,000)	0	0
Total Labor and Economic Opportunity	(\$3,000,000)	(\$3,000,000)	\$0	\$0
Licensing and Regulatory Affairs				
Fire service fees fund shift	\$0	\$0	\$1,400,000	\$1,400,000
Construction codes fund shift	0	0	100,000	100,000
Total Licensing and Regulatory Affairs	\$0	\$0	\$1,500,000	\$1,500,000
Military and Veterans Affairs				
Youth Challenge grants fund source	\$0	\$0	\$567,600	(\$567,600)
National guard	420,000	0	0	420,000
Total Military and Veterans Affairs	\$420,000	\$0	\$567,600	(\$147,600)
State				
Transportation admin collection fund fund shift	\$0	\$0	\$200,000	(\$200,000)
Total State	\$0	\$0	\$200,000	(\$200,000)
State Police				
Narcotics-related forfeiture revenue	\$0	\$0	\$2,693,400	(\$2,693,400)
Total State Police	\$0	\$0	\$2,693,400	(\$2,693,400)

Technology, Management, and Budget				
Procurement services fund shift	\$0	\$0	\$2,582,700	(\$2,582,700)
Remove GF/GP for FEMA match	(100,000,000)	0	0	(100,000,000)
Total Technology, Management, and Budget	(\$100,000,000)	\$0	\$2,582,700	(\$102,582,700)
Treasury				
Discretionary spending savings	(\$2,025,000)	\$0	\$0	(\$2,025,000)
Reduction to revenue sharing	(96,521,900)	0	(96,521,900)	0
1st responder hazard pay positive/negative (\$100M)	0	0	0	0
Local units positive/negative (\$200M)	0	0	0	0
Coronavirus relief local government payments	150,000,000	150,000,000	0	0
Teacher COVID-19 grants	53,000,000	53,000,000	0	0
Presidential primary	4,000,000	0	0	4,000,000
Total Treasury	\$108,453,100	\$203,000,000	(\$96,521,900)	\$1,975,000
Total FY 2019-20 Supplemental Appropriations	\$1,008,691,000	\$1,535,668,700	\$11,695,500	(\$538,673,200)

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

APPENDIX D
SCHOOL AID ACT
SUPPLEMENTAL
S.B. 373



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 373 (Substitute S-3)
Sponsor: Senator Jim Stamas
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 7-22-20

CONTENT

The bill would amend the State School Aid Act to implement several provisions of the fiscal year (FY) 2019-20 budget agreement pertaining to K-12 schools, community colleges, and higher education. In broad terms, the bill would reduce State funding to K-12 schools by \$175 per pupil, reduce State funding to community colleges and higher education by roughly 11.2% applied to each institution's operations and performance funding, include fund shifts freeing up School Aid Fund (SAF) revenues, reduce and eliminate certain categoricals, include technical consensus cost adjustments in various line items, and appropriate Federal Coronavirus Relief Fund (CRF) money for K-12, community colleges, and higher education. The tables below identify specific dollar changes found in the bill.

In addition, the bill would include language to ensure charter schools received the same minimum foundation allowance that local districts at the minimum receive and would allow Great Start Readiness Program subrecipients to identify up to 10% of indirect costs. The bill also would include a requirement that the Department of Education continue the model value-added growth and projection analytics system, specifies conditions for funding the model in the future, would require that the Department and platform vendor provide statewide training for educators, and would require the Department and Center for Educational Performance and Information (CEPI) to provide a report on district's use of the model. Finally, the bill would extend the date by which recent high school graduates may apply for the Tuition Incentive Program.

Table 1

Changes in State Funding for K-12, Community Colleges, and Higher Education to Effectuate Budget Agreement		
Line Item Name/Description	Initial Appropriation	Amount of Reduction
<u>K-12:</u>		
Per-Pupil Reduction	\$0	(\$256,000,000)
MPSERS Costs.....	42,571,000	(14,200,000)
School Safety Grants	10,000,000	(10,000,000)
State Assessments	32,009,400	(6,000,000)
Robotics.....	4,700,000	(800,000)
CEPI Operations	16,457,200	(411,400)
Restore 10 Cents a Meal.....	0	+575,000
<u>Community Colleges:</u>		
Operations and Performance Funding	\$325,473,400	(\$36,276,400)
<u>Higher Education:</u>		
Operations and Performance Funding	\$1,536,854,300	(\$163,723,600)

Table 2

Fund Shifts and Work Project Lapses in K-12/School Aid		
Line Item Name/Description	Initial Appropriation	Amount of Adjustment
Talent Investment Fund - lapse a portion of the remaining work project (roughly \$62 million would remain) and use as a fund source for career and technical education	\$100,000,000	(\$9,717,800)
Education Data Decision Support System - lapse remaining work project and deposit into the SAF	15,000,000	(3,900,000)
MPSERS Reserve Fund - unspent funds in this section would be used to support other ongoing MPSERS costs	1,900,000	30,000,000
Budget Stabilization Fund - a total of \$350.0 million would be deposited from the BSF into the SAF under this bill	0	350,000,000
General Fund/General Purpose - an increase of \$210,380,000 GF/GP would be deposited into the SAF to offset projected SAF shortfalls	\$62,620,000	\$210,980,000

Table 3

Technical Cost Adjustments for K-12/School Aid		
Line Item Name/Description	Initial Appropriation	Amount of Adjustment
Cash flow borrowing - because of reduced interest rates, this appropriation would be decreased significantly	\$66,000,000	(\$59,000,000)
Special education - technical cost adjustments are included in the bill	1,045,196,100	(21,200,000)
Foundation allowance payments - technical cost adjustments are included, driven by adjustments in pupil estimates and taxable values	9,499,000,000	(8,000,000)
Promise Zones - cost adjustments driven by updated taxable values	8,400,000	(1,000,000)
Detroit Community District Trust Fund - this is an additional deposit of Trust Fund revenues into SAF to support the cost of diverting 18-mill revenue for paying off DPS debt	\$75,400,000	+\$500,000 (yields \$500,000 savings to SAF)

Table 4

Coronavirus Relief Fund Spending		
Line Item Name/Description	Initial Appropriation	Amount of Adjustment
K-12: Per-pupil payments of \$350 to districts and public school academies for CARES Act-related spending	\$0	\$512,000,000
Community Colleges: Payments of roughly 11% to each institution for CARES Act-related spending	0	36,276,400
Higher Education: Payments of roughly 11% to each institution for CARES Act-related spending	0	163,723,600
Total:		\$712,000,000

Another way to view the pieces of the budget agreement illustrated above is in the following table, which illustrates the initial K-12 appropriations in total, the proposed changes in appropriations, the proposed changes in revenues, and the resulting appropriations. Please see [Table 5](#) below. For community colleges and higher education (not reflected in the table below), the State funding reduction is roughly 11.2%, applied to operations and performance funding. In addition, the CRF appropriations for community colleges and higher education are roughly 11.2%, applied to operations and performance funding. The sum total of reductions in State spending for community colleges and higher education is \$200.0 million.

Table 5

Appropriation and Revenue Summary for K-12			
Line Item Name	Initial Appropriation	Change in SB 373	Resulting Appropriation
Gross Appropriation	\$15,177,263,600	--	--
Per Pupil Reduction	0	(256,000,000)	(256,000,000)
Federal CRF	0	512,000,000	512,000,000
CREC Adjustments	0	(89,200,000)	(89,200,000)
Eliminate School Safety Grants	10,000,000	(10,000,000)	0
Reduce MPSERS costs	42,571,000	(14,200,000)	28,371,000
State assessments	32,009,400	(6,000,000)	26,009,400
Robotics	4,700,000	(800,000)	3,900,000
CEPI operations	16,457,200	(411,400)	16,045,800
10 Cents a Meal	0	575,000	575,000
Resulting Gross		\$135,963,600	\$15,313,227,200
Revenue Sources			
Existing Gross	\$15,177,263,600	--	--
Federal	1,749,578,500	512,000,000	2,261,578,500
SAF*	13,287,765,000	(626,634,200)	12,661,130,800
GF/GP	62,620,000	210,380,000	273,000,000
MPSERS Reserve Fund	1,900,000	30,000,000	31,900,000
DPS Trust Fund	75,400,000	500,000	75,900,000
Flint Water	100	0	100
Talent Investment Fund (TIF)	0	9,717,800	9,717,800
Resulting Gross		\$135,963,600	\$15,313,227,200
*The bill would deposit \$350.0 million from the Budget Stabilization Fund into the School Aid Fund, thereby decreasing the amount of the overall SAF shortfall.			

MCL 388.1606 et al.

FISCAL IMPACT

The bill would increase Gross appropriations to K-12 by roughly \$136.0 million and would not result in any changes in gross appropriations for community colleges or higher education. Of the gross appropriations, State spending in K-12 would decrease by \$376.0 million, while State spending for community colleges and higher education would decline by \$200.0 million. Federal spending for K-12 would increase \$512.0 million and Federal spending for community colleges and higher education would increase by \$200.0 million.

Fiscal Analyst: Kathryn Summers

SAS\S1920\s373sb

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.



Fiscal Year 2019-20 Year-to-Date Budget, CREC Cost Adjustments, and Senate Bill 373 Budget Agreement July 2020

		12/20/2019				
Section	Line Item Description	Year-to-Date PA 162 of 2019 FY 2019-20 Budget	Jan CREC Cost Adjustments and 1/10/2020	May CREC Adjustments 5/15/2020	SB 373 Budget Agreement 7/22/2020	Resulting FY 20 Budget 7/22/2020
11d	Per-Pupil Reduction to State Aid	\$0			\$ (256,000,000)	(\$256,000,000)
11j	School Bond Loan Fund Payments - Debt Service	\$111,000,000				\$111,000,000
11m	Cash Flow Borrowing Costs	\$66,000,000		(\$59,000,000)		\$7,000,000
11p	Coronavirus Related Expenses	\$0			\$512,000,000	\$512,000,000
11s	Flint Declaration of Emergency	\$8,075,100				\$8,075,100
20f	Categorical Offset Payments	\$18,000,000				\$18,000,000
21h	Partnership Model Districts	\$6,000,000				\$6,000,000
22a	Proposal A Obligation Payment	\$4,943,000,000	(\$21,000,000)	(\$6,000,000)		\$4,916,000,000
22b	Discretionary Payment - State	\$4,556,000,000	\$18,000,000	\$1,000,000		\$4,575,000,000
22d	Isolated Districts Funding	\$7,000,000				\$7,000,000
22m	Technology Regional Data Hubs	\$2,200,000				\$2,200,000
22q	Reorganization and Cooperative Activities Grants	\$0				\$0
24	Court-Placed Pupils	\$7,150,000				\$7,150,000
24a	Juvenile Detention Facilities	\$1,355,700				\$1,355,700
25f	Strict Discipline Academies	\$1,600,000				\$1,600,000
25g	Dropout Recovery	\$750,000				\$750,000
26a	Renaissance Zone Costs	\$15,300,000				\$15,300,000
26b	PILT Reimbursement	\$4,641,100				\$4,641,100
26c	Promise Zone	\$8,400,000	(\$1,000,000)			\$7,400,000
31a	"At Risk" Pupil Support - Base	\$510,000,000				\$510,000,000
31a(7)	Child and Adolescent Health Centers	\$8,000,000				\$8,000,000
31a(8)	Vision/Hearing Screening	\$5,150,000				\$5,150,000
31a(17)	At Risk Hold Harmless	\$12,000,000				\$12,000,000
31d	School Lunch Programs - State Share	\$23,144,000				\$23,144,000
31d	School Lunch Programs - Federal Share	\$537,200,000				\$537,200,000
31f	School Breakfast	\$4,500,000				\$4,500,000
31j	Support of Local Produce in School Meals	\$0			\$575,000	\$575,000
31k	School Meal Debt Forgiveness	\$0				\$0
31n	School Mental Health	\$31,300,000				\$31,300,000
32d	Great Start - School Readiness	\$249,950,000				\$249,950,000
32p	Great Start Early Childhood Block Grants	\$13,400,000				\$13,400,000
32s	Expanded Preschool Access Program	\$0				\$0
35a(4)	Investment in Literacy Coaches for K-3 Teachers	\$31,500,000				\$31,500,000
35a(5)	Early Literacy District Grants	\$19,900,000				\$19,900,000
35a()	Michigan Education Corps	\$0				\$0
35a(7)	Literacy Essentials	\$1,000,000				\$1,000,000
35a(9)	Summer Reading Project	\$5,000,000				\$5,000,000
35b	Children's Choice Initiative	\$0				\$0
35c	Multisensory Education	\$300,000				\$300,000
39a(1)	NCLB Federal DOE Grants	\$725,600,000				\$725,600,000
39a(2)	Other Non-NCLB Federal DOE Grants	\$49,100,000				\$49,100,000
41	Bilingual Education	\$13,000,000				\$13,000,000
51a	Special Education - Federal IDEA	\$370,000,000				\$370,000,000
51a(2)	Spec. Ed. Foundations - State Share	\$297,800,000	(\$2,100,000)	(\$8,800,000)		\$286,900,000
51a(3)	Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000,000				\$1,000,000
51a(6)	Spec. Ed. Rules Change - State Share	\$2,200,000				\$2,200,000
51a(11)	Spec. Ed. Non Sec. 52 to ISDs - State Share	\$2,900,000	\$200,000			\$3,100,000
51c	Special Education Headlee - State Share	\$689,100,000	\$2,500,000	(\$13,000,000)		\$678,600,000
51d	Special Education - Other Federal	\$61,000,000				\$61,000,000
51f	Special Education - additional percentage reimbursement	\$60,207,000				\$60,207,000
53a	Court-Placed Spec. Ed. FTEs - State Share	\$10,500,000				\$10,500,000
54	MI School for Deaf and Blind - State Share	\$1,688,000				\$1,688,000
54b	Integrated Behavior and Learning Support (MiBLSi)	\$1,600,000				\$1,600,000
54d	Special Ed Taskforce - Early On	\$7,150,000				\$7,150,000
54e	PLAY Project - Autism Intervention	\$350,000				\$350,000
56	Spec. Ed. Millage Equalization - State Share	\$40,008,100				\$40,008,100
61a	Vocational Education	\$37,611,300				\$37,611,300
61b	Career and Technical Education/Dual Enrollment	\$8,000,000				\$8,000,000
61c	CTE Equipment Upgrades	\$0				\$0
61d	CTE Incentive Payments	\$5,000,000				\$5,000,000
62	ISD Vocational Ed Millage Equalization	\$9,190,000				\$9,190,000
65	Detroit Precollege Engineering	\$400,000				\$400,000
67	College and Career Readiness Tools	\$3,000,000				\$3,000,000
67a	Career Exploration Pilot	\$0				\$0
67b	MITES	\$0				\$0
74	Bus Driver Safety Instruction	\$2,025,000				\$2,025,000
74	School Bus Inspections	\$1,747,900				\$1,747,900
81	ISD General Operations Support	\$69,138,000				\$69,138,000
94	Advanced Placement (AP) Incentive Program	\$1,000,000				\$1,000,000
94a	Center for Educ. Perf. and Information - State Share	\$16,457,200			(\$411,400)	\$16,045,800
94a	Center for Educ. Perf. and Information - Federal	\$193,500				\$193,500
95b	EVAAS	\$0				\$0
97	School Safety Grants	\$10,000,000			(\$10,000,000)	\$0



Fiscal Year 2019-20 Year-to-Date Budget, CREC Cost Adjustments, and Senate Bill 373 Budget Agreement July 2020

12/20/2019

Section	Line Item Description	Year-to-Date PA 162 of 2019 FY 2019-20 Budget	Jan CREC Cost Adjustments and 1/10/2020	May CREC Adjustments 5/15/2020	SB 373 Budget Agreement 7/22/2020	Resulting FY 20 Budget 7/22/2020
97a	School Infrastructure Grants	\$0				\$0
98	Michigan Virtual High School - State	\$6,312,500				\$6,312,500
98a	Professional Development	\$0				\$0
98b	Teacher Cadet	\$0				\$0
98c	Teacher Supplies	\$0				\$0
99h	Robotics	\$4,700,000			(\$800,000)	\$3,900,000
99h	Robotics for Nonpublics	\$0				\$0
99s(2)	Comprehensive STEM Initiative (Administration)	\$300,000				\$300,000
99s(3)	Comprehensive STEM Grants	\$3,050,000				\$3,050,000
99s(4)	Math/Science Centers - Federal	\$235,000				\$235,000
99s(4)	MiSTEM Network Regions	\$3,834,300				\$3,834,300
99s(6)	MiSTEM Professional Development and Curriculum	\$750,000				\$750,000
99t	Algebra Nation	\$0				\$0
99u	Imagine Learning (1/2 for reading; 1/2 for math)	\$0				\$0
99v	Dana Center	\$0				\$0
104	Assessment Testing - State Share	\$32,009,400			(\$6,000,000)	\$26,009,400
104	Assessment Testing - Federal Share	\$6,250,000				\$6,250,000
107	Adult Education - State	\$30,500,000				\$30,500,000
147a(1)	MPSERS District Reimbursement	\$100,000,000				\$100,000,000
147a(2)	MPSERS Normal Cost for Lower AROR/Dedicated Gains	\$172,069,000				\$172,069,000
147c	MPSERS Rate Cap (Section 41 of MPSERS Act)	\$1,030,900,000				\$1,030,900,000
147e	MPSERS Additional Normal/DC Costs for PA 92 of 2017	\$42,571,000			(\$14,200,000)	\$28,371,000
152a	Adair v State of Michigan	\$38,000,500				\$38,000,500
152b	Nonpublic school health/safety reimbursement	\$0				\$0
TOTAL SCHOOL AID APPROPRIATIONS		\$15,177,263,600	(\$3,400,000)	(\$85,800,000)	\$225,163,600	\$15,313,227,200

Section	REVENUE SOURCES					
11	Federal Aid	\$1,749,578,500	\$0	\$0	\$512,000,000	\$2,261,578,500
11	School Aid Fund (SAF)	\$13,287,765,000	(\$3,800,000)	(\$85,900,000)	(\$537,534,200)	\$12,660,530,800
11	Talent Investment Fund	\$0	\$0	\$0	\$9,717,800	\$9,717,800
11	MPSERS Reforms Fund	\$1,900,000	\$0	\$0	\$30,000,000	\$31,900,000
11	General Fund/General Purpose	\$62,620,000	\$0	\$0	\$210,980,000	\$273,600,000
11	Community District Trust Fund (\$72.0 m)/Other (\$100 Flint Reserve)	\$75,400,100	\$400,000	\$100,000	\$0	\$75,900,100
TOTAL REVENUE		\$15,177,263,600	(\$3,400,000)	(\$85,800,000)	\$225,163,600	\$15,313,227,200