

FY 2023-24: TOTAL GENERAL GOVERNMENT

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analysts: Viola Bay Wild and Michael Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$1,120,888,100	\$1,156,643,700	\$1,156,643,700	\$	\$	\$35,755,600	3.2
Federal	44,640,700	44,035,500	44,035,500			(605,200)	(1.4)
Local	15,540,800	17,372,800	15,522,800			(18,000)	(0.1)
Private	665,500	684,800	749,800			84,300	12.7
Restricted	2,433,041,500	2,633,406,600	2,633,406,600			200,365,100	8.2
GF/GP	2,113,984,600	1,233,183,200	1,184,148,900			(929,835,700)	(44.0)
Gross	\$5,728,761,200	\$5,085,326,600	\$5,034,507,300	\$	\$	(\$694,253,900)	(12.1)
FTEs	7,498.2	7,673.1	7,567.6			69.4	0.9

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2022-23 year-to-date totals exclude amounts from the Department of Labor and Economic Opportunity (LEO) to compare General Government totals as organized in the FY 2023-24 budget with LEO removed.

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Budget Changes from FY 2022-23 YTD Appropriations

Sec. 205. Standard List of Report Recipients – NEW

Requires boilerplate reports to be submitted to the senate and house appropriations subcommittees, the senate and house fiscal agencies, senate and house policy offices, and the state budget office unless directed otherwise. House adds new section.

Sec. 207. Disciplinary Action Against State Employees – RETAINED

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. (Governor deemed this section unenforceable in FY 2022-23.) Executive deletes. House retains.

Sec. 212. Transparency Website – RETAINED

Requires departments and agencies to provide data necessary for DTMB to maintain a searchable website that is accessible by public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive deletes. House retains.

Sec. 213. State Restricted Funds Report – RETAINED

Requires departments, agencies, and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures. Executive deletes. House retains.

Sec. 214. Performance Metrics Website – RETAINED

Requires departments and agencies to maintain a publicly accessible website that identifies and tracks its performance against key metrics used to monitor and improve its performance. Executive deletes. House retains.

Sec. 215. Businesses in Deprived and Depressed Communities – REVISED

Requires directors of each department and agency to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Executive revises to replace "deprived and depressed communities" with "geographically disadvantaged business enterprises". House concurs.

Major Budget Changes from FY 2022-23 YTD Appropriations

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires department to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work in 2022, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work. Executive revises to delete all reporting requirements except for a comparison of FTE positions authorized and positions filled. House concurs.

Sec. 217. Prioritization of In-person Work for State Workforce – RETAINED

States intent of legislature is to maximize efficiency of state workforce and, where possible, prioritize in-person work; requires each department and agency to post its in-person, remote, or hybrid work policy on its website. Executive deletes. House retains.

Sec. 218. State Administrative Board Transfers – DELETED

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. *(Governor deemed this section unenforceable in FY 2022-23.)* Executive deletes. House concurs.

Sec. 218. Receipt and Retention of Required Reports – RETAINED

Requires department to receive and retain copies of all reports required in Article VIII; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

Sec. 219. Reporting Requirement on Policy Changes – RETAINED

Requires department to report on policy changes made in order to implement enacted legislation. Executive deletes. House retains.

Sec. 220. Severance Pay Report – REVISED

Requires department and agencies to report names and any amount of severance pay given to high-ranking department officials; requires department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Executive deletes. House revises by retaining current language but deletes requirement for the department to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees.

Sec. 221. Work Project Expenditures – RETAINED

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. *(Governor deemed this section unenforceable in FY 2022-23.)* Executive deletes. House retains.

Sec. 222. Access to State and Local Services – NEW

Prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion, to restrict or impede community access to government programs, or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers. Executive adds new section. House concurs.

Sec. 223. Fund Sourcing Priorities – RETAINED

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure. Executive deletes. House retains.

Sec. 225. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – DELETED

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies. Executive deletes. House concurs.

Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – DELETED

Requires departments and agencies to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. *(Governor deemed this section unenforceable in FY 2022-23.)* Executive deletes. House concurs.

Major Budget Changes from FY 2022-23 YTD Appropriations

Sec. 235. Federal Funding Contingency Plan – DELETED

Requires the state budget director, in consultation with the appropriate department, to recommend a contingency plan for a federal funding reduction of 10% or more to a federal funding source of \$10.0 million or more. Executive deletes. House concurs.

Sec. 240. New Program Metrics – DELETED

Requires state budget office to provide a list of new programs and program enhancements that exceed \$500,000; requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act; requires report on metrics and performance progress of identified programs by September 30 of the following fiscal year; expresses legislative intent that future program funding increases be based on prior performance. Executive deletes. House concurs.

FY 2023-24: ATTORNEY GENERAL

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analyst: Michael Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$35,954,600	\$36,235,500	\$36,235,500	\$	\$	\$280,900	0.8
Federal	10,101,900	10,063,800	10,063,800			(38,100)	(0.4)
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	20,786,700	20,773,100	20,773,100			(13,600)	(0.1)
GF/GP	51,429,800	49,326,000	54,326,000			2,896,200	5.6
Gross	\$118,273,000	\$116,398,400	\$121,398,400	\$	\$	\$3,125,400	2.6
FTEs	549.4	584.4	581.9			32.5	5.9

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The attorney general serves as legal counsel for state departments, agencies, boards, and commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The attorney general issues opinions on questions of law submitted by members of legislature and others, serves as chief law enforcement officer of the state, issues legal opinions that have the force of law until reversed by legislative or judicial action, and has supervisory powers over all local prosecuting attorneys.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Operations Line Item Roll Up

Executive merges \$98.3 million Gross (\$34.8 million GF/GP) and 498.4 FTE positions from 3 line items into 1 Operations line item. The roll up of these line items reverses the FY 2022-23 unrolling that created them and restores an Operations line item as included in FY 2021-22. Funding and FTE authorizations for the merged line items are:

- Administrative Support - \$23.2 million and 46.0 FTE positions
- Civil Bureaus - \$64.6 million and 362.0 FTE positions
- Criminal Bureaus - \$10.5 million and 90.4 FTE positions.

House concurs.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
FTE	498.4	0.0
Gross	\$98,323,100	\$0
IDG	35,954,600	0
Federal	7,162,600	0
Restricted	20,361,600	0
GF/GP	\$34,844,300	\$0

2. Address Confidentiality Program Staffing

Executive provides \$486,400 GF/GP and authorization of 2.0 FTE positions to establish the Address Confidentiality Program as authorized under the Address Confidentiality Program Act, 2020 PA 301. The program is designed to conceal the addresses of victims of stalking, domestic violence, sexual assault, human trafficking, and other activities that threaten personal harm so that they cannot be located through public records. The program provides a substitute address and free mail forwarding. A prior appropriation of \$500,000 GF/GP under 2021 PA 87 supported the creation of a required computerized database. This request would provide staff to begin and administer the program. House concurs.

FTE	NA	2.0
Gross	NA	\$486,400
GF/GP	NA	\$486,400

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
3. LARA and EGLE Legal Services			
<u>Executive</u> includes \$403,400 in IDG funding from the Departments of Licensing and Regulatory Affairs and Environment, Great Lakes, and Energy and authorization for 2.0 FTE positions to provide additional legal services to expedite the processing of increasing caseloads for those departments. <u>House</u> concurs.	FTE	0.0	2.0
	Gross	\$3,666,000	\$403,400
	IDG	3,666,000	403,400
	GF/GP	\$0	\$0
4. Conviction Integrity Unit			
<u>Executive</u> provides \$1.0 million GF/GP and authorization for 6.0 FTE positions to the Conviction Integrity Unit that investigates prisoner claims of innocence to determine whether new evidence is sufficient to recommend to a court that a conviction be declared wrongful and set aside. Funding would help offset the removal of a \$550,000 federal grant from the Bureau of Justice Assistance that assisted with postconviction testing of DNA evidence. <u>House</u> concurs.	FTE	NA	6.0
	Gross	NA	\$1,010,000
	GF/GP	NA	\$1,010,000
5. Job Court (Ongoing and One-Time)			
<u>Executive</u> provides \$5.0 million GF/GP and authorization for 5.0 FTE positions to continue the job court pilot program and shifts funding from the one-time Appropriations unit to an ongoing line item. Job Court offers the option of dismissal of charges for selected pre-trial defendants charged with low-level, non-assaultive crimes who successfully secure and maintain gainful employment and complete the one-year program course. The program provides supervision and support to participants with the aim of assisting them and diverting prosecutorial caseloads, reducing criminal case backlogs, and reducing costs of incarceration. There are currently 3 participating courts, 1 each in Wayne, Genesee, and Marquette Counties. <u>House</u> provides \$8.6 million GF/GP total (\$6.1 million one-time) and authorization for 2.5 FTE positions for an increase of \$3.6 million from FY 2022-23.	FTE	0.0	2.5
	Gross	\$5,000,000	\$3,600,000
	GF/GP	\$5,000,000	\$3,600,000
6. PACC – In-Person Training			
<u>Executive</u> includes \$30,000 Gross (\$0 GF/GP) in state restricted Prosecuting Attorneys Training Fees revenue to provide in-person training for local prosecutors statewide. <u>House</u> concurs.	Gross	NA	\$30,000
	Restricted	NA	30,000
	GF/GP	NA	\$0
7. Sexual Assault Cases and Victim Advocacy (One-Time)			
<u>House</u> provides \$1.4 million GF/GP to support attorneys, investigators, and victim advocates dedicated to sexual assault cases to alleviate high caseloads. <u>Executive</u> does not include.	Gross	\$0	\$1,400,000
	GF/GP	\$0	\$1,400,000
8. Removal of Current Year One-Time Funding			
<u>Executive</u> eliminates \$3.5 million of one-time GF/GP funding appropriated in FY 2022-23 for establishment of the Organized Retail Crime Unit. The \$3.5 million is intended to cover costs of the unit for a 3-year period. <u>House</u> concurs.	Gross	\$8,500,000	(\$3,500,000)
	GF/GP	\$8,500,000	(\$3,500,000)
9. FTE Authorization Increase			
<u>Executive</u> authorizes an additional 20.0 FTE positions to the Operations line item to provide greater flexibility in hiring. <u>House</u> concurs.	FTE	498.4	20.0
	Gross	\$98,323,100	\$0
	IDG	35,954,600	0
	Federal	7,162,600	0
	Restricted	20,361,600	0
	GF/GP	\$34,844,300	\$0
10. Economic Adjustments			
<u>Executive</u> adjusts for decreased costs of \$304,400 Gross (\$100,200 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	Gross	NA	(\$304,400)
	IDG	NA	(122,500)
	Federal	NA	(38,100)
	Restricted	NA	(43,600)
	GF/GP	NA	(\$100,200)

Major Boilerplate Changes from FY 2022-23

Sec. 302a. Enforcement of State and Federal Laws – DELETED

States it is the intent of the legislature that the attorney general use appropriated funds for upholding and enforcing any and all state and federal laws. Executive deletes. House concurs.

Sec 306a. Lawsuit Proceeds Subject to Appropriation – DELETED

Prohibits expenditure of proceeds from lawsuit settlements for either criminal prosecution or litigation unless appropriated by legislature. Executive deletes. House concurs.

Sec. 307. Appropriation of Antitrust Revenue – REVISED

Appropriates up to \$250,000 in additional antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by AG; authorizes unexpended funding, up to \$250,000, to be carried forward; requires information on collected revenue to be made available upon request. Executive revises to appropriate up to \$500,000 in additional revenue and to authorize up to \$1.0 million to be carried forward in the following fiscal year. House concurs.

Sec. 308. Appropriation of Litigation Expense Reimbursements – REVISED

Appropriates up to \$500,000 from litigation expense reimbursements; prohibits revenue collected under this section to be used for criminal prosecution or litigation; authorizes unexpended funding, up to \$250,000, to be carried forward. Executive revises to appropriate \$1.0 million from litigation expense reimbursements and deletes prohibition on the use of funds for criminal prosecution or litigation. House concurs.

Sec. 309. Prisoner Reimbursement Revenue – REVISED

Authorizes AG to spend prisoner reimbursement revenue on activities related to State Correctional Facilities Reimbursement Act; allows up to \$1.0 million of collections in excess of \$1.131 million to be spent on representation of Department of Corrections; requires information on dollar amount of reimbursements, and descriptions of expenditures made from reimbursements to be made available upon request. Executive retains current language. House adds reporting language from section 309a requiring information on revenue and distributions of prisoner reimbursement revenue and deletes section 309a.

Sec. 309a. Prisoner Reimbursements Report – DELETED

Requires the department to submit a report on total amount of reimbursements received under the State Correctional Facility Reimbursement Act, amount paid to department to conduct investigations in determining reimbursements, and amount credited to general fund from reimbursements. Executive deletes. House concurs.

Sec. 315. Legacy Costs – DELETED

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House concurs.

Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – REVISED

Requires notification of lawsuit settlements with a fiscal impact for the state of \$200,000 or more; prohibits department from entering into a lawsuit that is contrary to state laws. Executive deletes. House revises to add language transferred from deleted section 306.

Sec. 321. Attorney General Presentation on Federal Lawsuits – RETAINED

Requires the department to submit report upon entering lawsuit against federal government, estimated costs for participating in lawsuit, and purpose of lawsuit. Executive deletes. House retains.

Sec. 322. Department Initiatives Quarterly Expenditure Report – REVISED

Requires the department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Payroll Fraud Enforcement Unit, PFAS contamination, Human Trafficking, and Robocall Enforcement. Executive deletes. House revises to add Organized Retail Crime Unit, reducing utility rate increases, and Boy Scouts of America investigation.

Sec. 330. Job Court Limited-Term Employees – DELETED

Authorizes one-time funds for Job Court to be used to hire 5.0 limited-term employees. Executive deletes. House concurs.

Sec. 330. Job Court Work Project Authorization – NEW

Authorizes unexpended one-time funding as work project and for funds not to lapse to General Fund at end of fiscal year. House adds.

Major Boilerplate Changes from FY 2022-23

Sec. 331. Organized Retail Crime Limited-Term Employees and Work Project – DELETED

Authorizes funds for Organized Retail Crime Unit to be used to hire 6.5 limited-term employees to develop organized retail crime unit with intent that unit be fully self-funded with state restricted revenue within three years; authorizes unexpended one-time funding as work project and for funds not to lapse to General Fund at end of fiscal year. Executive deletes. House concurs.

FY 2023-24: CIVIL RIGHTS

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analyst: Michael Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$	\$	\$0	--
Federal	2,890,900	2,890,900	2,890,900			0	0.0
Local	0	0	0			0	--
Private	18,700	18,700	18,700			0	0.0
Restricted	58,500	58,500	58,500			0	0.0
GF/GP	18,633,500	26,491,900	34,178,400			15,544,900	83.4
Gross	\$21,601,600	\$29,460,000	\$37,146,500	\$	\$	\$15,544,900	72.0
FTEs	115.0	155.0	132.0			17.0	14.8

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Operations Funding and FTE Transfers

Executive transfers \$400,000 GF/GP and 3.0 FTE positions from the Division on Deaf, DeafBlind, and Hard of Hearing line item for a \$0 net change. Transfers are as follows:

- Public Affairs - \$275,000 and 2.0 FTE positions
- Complaint Investigation and Enforcement - \$125,000 and 1.0 FTE position.

House concurs.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
FTE	3.0	0.0
Gross	\$400,000	\$0
GF/GP	\$400,000	\$0

2. Complaint Investigation and Enforcement (One-Time)

Executive provides \$5.7 million GF/GP and authorization for 34.0 FTE positions to establish three additional enforcement teams to assist in reducing a backlog of discrimination complaint cases that accrued following the pandemic and state hiring freeze and to reduce the average complaint investigation completion time to six to nine months on an ongoing basis. From these amounts, \$307,800 and 2.0 FTE positions would go to the Executive Office. House provides \$11.4 million GF/GP as a one-time appropriation.

FTE	68.0	0.0
Gross	\$9,450,200	\$11,373,000
Federal	2,875,900	0
Restricted	58,500	0
GF/GP	\$6,515,800	\$11,373,000

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
3. Americans with Disabilities Act Training and Enforcement			
<u>Executive</u> provides \$223,200 GF/GP to provide training and materials regarding disability complaint cases and compliance with the Americans with Disabilities Act (ADA). <u>House</u> concurs with funding and adds authorization for 2.0 FTE positions to align FTE authorization to filled positions.	FTE	NA	2.0
	Gross	NA	\$223,200
	GF/GP	NA	\$223,200
4. Disabled Digital Access Rights Transition Plan (One-Time)			
<u>Executive</u> provides \$3.0 million GF/GP (\$294,100 ongoing; \$2.8 million one-time) and authorization for 2.0 FTE positions to contract with vendors to develop a digital accessibility training module and to implement the ongoing Disabled Digital Access Rights Transition plan which for educating state employees on compliance with federal and state disability rights laws regarding digital access, such as captioning, screen readers, and other technology that provides access for individuals with disabilities. The training aims to reduce disability complaints. <u>House</u> concurs.	FTE	NA	2.0
	Gross	NA	\$3,044,100
	GF/GP	NA	\$3,044,100
5. Disparate Impact Investigation and Enforcement			
<u>Executive</u> provides \$1.6 million GF/GP to investigate complaints regarding policies, procedures, rules, or other systems that appear fair but have a disparate impact on people according to federally and state-protected classes such as race, religion, color, national origin, age, sex, disability, criminal record, and others. The funding would support a manager, 6 investigators, a paralegal, and a secretary. <u>House</u> concurs with funding and adds authorization for 9.0 FTE positions to align FTE authorization to filled positions.	FTE	NA	9.0
	Gross	NA	\$1,555,800
	GF/GP	NA	\$1,555,800
6. DEI Summit and Research			
<u>Executive</u> provides \$161,000 GF/GP and authorization for 1.0 FTE position to initiate a Diversity, Equity, and Inclusion summit focusing on health equity and strategies for reducing health disparities with a focus on maternal and infant health. <u>House</u> concurs.	FTE	NA	1.0
	Gross	NA	\$161,000
	GF/GP	NA	\$161,000
7. ALPACT – Police and Community Trust			
<u>Executive</u> provides \$316,300 GF/GP and authorization for 1.0 FTE position to support the Advocates and Leaders for Police and Community Trust (ALPACT) program and to expand the program into the upper peninsula. ALPACT promotes partnerships between police units and community leaders with the aim of building trust by facilitating communication and cooperation. <u>House</u> concurs.	FTE	NA	1.0
	Gross	NA	\$316,300
	GF/GP	NA	\$316,300
8. Michigan Alliance Against Hate Crimes			
<u>Executive</u> provides \$574,400 GF/GP and 2.0 FTE positions to provide additional support to the Michigan Alliance Against Hate Crimes (MIAAHC). MIAAHC is a department-led, statewide coalition of law enforcement agencies with community and civil rights organizations and educators that help identify and address hate crimes and bias incidents and provide victim support services. <u>House</u> concurs.	FTE	NA	2.0
	Gross	NA	\$574,400
	GF/GP	NA	\$574,400
9. Removal of Current Year One-Time Funding			
<u>Executive</u> eliminates \$3.7 million of one-time GF/GP funding appropriated in FY 2022-23:	Gross	\$3,651,900	(\$3,651,900)
	GF/GP	\$3,651,900	(\$3,651,900)
<ul style="list-style-type: none"> \$3.2 million GF/GP for Complaint Investigation and Enforcement for limited-term employees to process the complaint backlog. \$500,000 GF/GP for Native American Boarding School Study. <u>House</u> concurs.			

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
10. Elliott-Larsen Civil Rights Act Expansion (One-Time)	Gross	NA	\$2,000,000
<u>House</u> provides \$2.0 million GF/GP to cover expenses incurred in implementing 2023 PA 6 which adds sexual orientation and gender identity or expression as protected categories. Expenses may include information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training. <u>Executive</u> does not include.	GF/GP	NA	\$2,000,000
11. Economic Adjustments	Gross	NA	(\$51,000)
<u>Executive</u> adjusts for decreased costs of \$51,000 GF/GP for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	GF/GP	NA	(\$51,000)

Major Boilerplate Changes from FY 2022-23

Sec. 401. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$1.0 million, and state restricted authorization by up to \$375,000. Executive revises to increase maximum amounts of contingency authorizations up to \$2.0 million in federal and \$750,000 in private contingency funds to be appropriated. House concurs.

Sec. 406. Native American Boarding School Study – NEW

Requires a status update report on the Native American boarding school study funded in the department of civil rights in 2022 PA 166 to provide information on activities, costs, and anticipated completion date of the study. House adds.

Sec. 410. Legacy Costs – DELETED

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House concurs.

ONE-TIME APPROPRIATIONS

Sec. 420. Complaint Investigation and Enforcement – REVISED

Requires department to expand complaint investigation and enforcement activities to eliminate backlog of civil rights complaint cases; authorizes up to an additional 25.0 limited-term employees; authorizes unexpended one-time funding as a work project. Executive deletes. House revises to increase authorized limited-term employees to 34.0.

Sec. 421. ELCRA Expansion – NEW

Requires funds for ELCRA expansion to be used to cover expenses incurred in implementing 2023 PA 6 and lists eligible uses including information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training; authorizes up to an additional 12.0 limited-term employees; authorizes unexpended one-time funding as a work project. House adds.

Sec. 421. Native American Boarding School Study – DELETED

Requires funds for Indian boarding school study to be used to research number of Native American children forced to attend boarding schools, how they were impacted, to locate and preserve records, to work in concert with Federal Indian Boarding School Initiative, and to interview boarding school survivors and tribal representatives to fully understand immediate and long-term impacts of policies of Native American children removal; requires report to be completed by January 30, 2024; authorizes department to contract with university or other entity to carry out this section. Executive deletes. House concurs.

FY 2023-24: EXECUTIVE OFFICE

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analyst: Viola Bay Wild

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$	\$	\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	0	0	0			0	--
GF/GP	8,533,600	8,699,000	8,699,000			165,400	1.9
Gross	\$8,533,600	\$8,699,000	\$8,699,000	\$	\$	\$165,400	1.9
FTEs	96.2	96.2	96.2			0.0	0.0

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Executive Office budget provides funding for the governor, the lieutenant governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the executive budget.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Executive Office Operations

Executive reflects increased costs of \$165,400 GF/GP related to Executive Office staff and other operations. House concurs.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
FTE	96.2	0.0
Gross	\$8,533,600	\$165,400
GF/GP	\$8,533,600	\$165,400

Major Boilerplate Changes from FY 2022-23

There are no major boilerplate changes for FY 2023-24.

FY 2023-24: LEGISLATURE

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analyst: Viola Bay Wild

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$	\$	\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	428,300	445,400	445,400			17,100	4.0
Restricted	4,965,700	5,164,300	5,164,300			198,600	4.0
GF/GP	184,453,000	181,263,900	182,752,900			(1,700,100)	(0.9)
Gross	\$189,847,000	\$186,873,600	\$188,362,600	\$	\$	(\$1,484,400)	(0.8)
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and the Binsfield Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
1. Legislative Operations Adjustment	Gross	\$186,677,000	\$196,600
<u>Executive</u> reflects net increase of \$196,600 Gross (net reduction of \$19,100 GF/GP) related to legislative employees and other operations and property management costs. <u>House</u> concurs.	Private	428,300	17,100
	Restricted	4,965,700	198,600
	GF/GP	\$181,283,000	(\$19,100)
2. Independent Citizens Redistricting Commission (ICRC)	Gross	\$3,170,000	(\$3,170,000)
<u>Executive</u> removes \$3.2 million GF/GP one-time FY 2022-23 supplemental funding for the ICRC for additional legal costs. The Michigan Constitution requires that the terms of the commissioners expire once the commission has completed its work for a census cycle. <u>House</u> concurs.	GF/GP	\$3,170,000	(\$3,170,000)
3. Legislative Corrections Ombudsman	Gross	\$1,078,200	\$389,000
<u>House</u> includes \$389,000 GF/GP to provide funding for 3.0 additional FTE positions for the Legislative Corrections Ombudsman within the Legislative Council. <u>Executive</u> does not include.	GF/GP	\$1,078,200	\$389,000
4. Sentencing Commission	Gross	NA	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP to provide funding for the Sentencing Commission within the Legislative Council. <u>Executive</u> does not include.	GF/GP	NA	\$1,000,000
5. Legislative Staffing Study	Gross	NA	\$100,000
<u>House</u> includes \$100,000 one-time GF/GP to provide funding for a legislative staffing study by the Legislative Council. <u>Executive</u> does not include.	GF/GP	NA	\$100,000

Major Boilerplate Changes from FY 2022-23

Sec. 615. Annual Legacy Costs – DELETED

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House concurs.

Sec. 630. Legislative Staffing Study – NEW

House requires part 1 funding be allocated for a study on legislative staffing. Executive does not include.

FY 2023-24: LEGISLATIVE AUDITOR GENERAL
Summary: As Reported by House Appropriations Committee
House Bill 4292 (H-2)



Analyst: Viola Bay Wild

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$6,654,800	\$6,921,900	\$6,921,900	\$	\$	\$267,100	4.0
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	2,329,300	2,421,600	2,421,600			92,300	4.0
GF/GP	19,621,800	20,406,700	20,406,700			784,900	4.0
Gross	\$28,605,900	\$29,750,200	\$29,750,200	\$	\$	\$1,144,300	4.0
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The legislative auditor general is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the legislative auditor general is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Auditor General Operations Increase

Executive reflects increased costs of \$1.1 million Gross (\$784,900 GF/GP) related to auditor general staff and other operations. House concurs.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Gross	\$28,605,900	\$1,144,300
IDG	6,654,800	267,100
Restricted	2,329,300	92,300
GF/GP	\$19,621,800	\$784,900

Major Boilerplate Changes from FY 2022-23

Sec. 620. Authorization to Audit Executive, Judicial, and Legislative Branches – RETAINED

Requires auditor general to conduct audits of the executive, judicial, and legislative branches. Executive deletes. House retains.

Sec. 621. Contract Audits – REVISED

Requires auditor general to take steps to ensure certified minority- and women-owned and operated accounting firms and accounting firms owned and operated by persons with disabilities participate in audits, and encourage firms with which it contracts to subcontract with the aforementioned; requires report on number of contracts entered into with these firms. Executive retains current-year language; House revises language to include geographically-disadvantaged business enterprises.

Sec. 624. Authorization to Charge and Collect Fees for Subsequent Audit – DELETED

Authorizes the auditor general to charge and collect fees for a subsequent audit conducted pursuant to Section 229; states that fees and charges may not exceed cost of audit; provides for expenditure of funds. Executive deletes. House concurs.

Major Boilerplate Changes from FY 2022-23

Sec. 625. Access to Confidential Information – RETAINED

Specifies legislative intent that the auditor general be authorized to access and examine confidential information of each branch, department, office, board, commission, agency, authority, and institution of the state subject to the same duty of confidentiality imposed by law on the entity providing the confidential information. Executive deletes. House retains.

Sec. 627. Operations Work Project Language – RETAINED

Provides work project authorization for unexpended funds related to field operations for auditing the State of Michigan Comprehensive Annual Financial Report. Executive deletes. House retains.

FY 2023-24: STATE (DEPARTMENT)

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analyst: Michael Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$	\$	\$0	0.0
Federal	1,460,000	1,460,000	1,460,000			0	0.0
Local	0	0	0			0	--
Private	50,100	50,100	100,100			50,000	99.8
Restricted	221,007,300	223,392,000	223,392,000			2,384,700	1.1
GF/GP	12,679,300	17,838,300	32,838,300			20,159,000	159.0
Gross	\$255,196,700	\$262,740,400	\$277,790,400	\$	\$	\$22,593,700	8.9
FTEs	1,592.0	1,608.0	1,608.0			16.0	1.0

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the secretary of state, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
1. Equity and Inclusion Officer	Gross	NA	\$218,800
<u>Executive</u> provides \$218,800 in state restricted Transportation Administration Collection Fund (TACF) revenue to hire an Equity and Inclusion Officer to help advise the department on matters of equity and inclusion. <u>House</u> concurs.	Restricted	NA	218,800
	GF/GP	NA	\$0
2. Postage and Mailing Service Rate Increase	Gross	NA	\$600,000
<u>Executive</u> provides \$600,000 Gross (\$0 GF/GP) to reflect increased United States Postal Service postage rates made effective in January 2023 and the corresponding increase in DTMB mailing service rates. <u>House</u> concurs.	Restricted	NA	600,000
	GF/GP	NA	\$0
3. Enforcement Division Staffing Increase	FTE	NA	3.0
<u>Executive</u> provides \$447,500 GF/GP and authorization for 3.0 FTE positions to the Legal Services unit to address increasing cases of fraud and abuse related to property crimes, crimes against individuals, and election fraud by enhancing the department's resources to investigate and enforce laws and regulations. <u>House</u> concurs.	Gross	NA	\$447,500
	GF/GP	NA	\$447,500
4. Fund Source Shifts	Gross	NA	\$0
<u>Executive</u> shifts funding from among 10 fund sources and 7 line items for a net \$0 Gross change (decrease of \$1,500 GF/GP). Results in an increase of \$150,000 to the Operations line item and a \$150,000 reduction from the Central Operations line item. Includes a reduction of \$1.0 million each from Reinstatement Fees – Operator's Licenses and Parking Ticket Court Fines revenue with funding replacement from TACF among other technical changes. <u>House</u> concurs.	IDG	NA	73,500
	Federal	NA	1,500
	Restricted	NA	(73,500)
	GF/GP	NA	(\$1,500)

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
5. TACF/TASF Revenue Replacement		Gross	\$19,000,000
<u>Executive</u> replaces \$19.0 million state restricted from the Transportation Administration Support Fund (TASF), created in Treasury under section 949I, to support expenses related to vehicle and driver services, with a corresponding amount of revenue authorization from the Transportation Administration Collection Fund (TACF), resulting in a net \$0 change. Revenue from TASF was provided in FY 2022-23 to help address the long-term revenue shortfall anticipated for TACF. <u>House</u> concurs.	Restricted	19,000,000	0
	GF/GP	\$0	\$0
6. Additional Branch Office Security Staff		Gross	NA
<u>Executive</u> provides \$150,000 in state restricted TACF revenue to support 3 additional security guards, 1 each for Grand Rapids, Flint, and Saginaw following an internal department review identifying locations with highest reported incidents at offices in these cities. <u>House</u> concurs.	Restricted	NA	150,000
	GF/GP	NA	\$0
7. Contracted Security Cost Increase		Gross	NA
<u>Executive</u> provides \$140,000 in state restricted Driver Fees revenue to cover costs of a new statewide security contract that increased the pay rate for security guards to a competitive level to decrease turnover and increase employee longevity. <u>House</u> concurs.	Restricted	NA	140,000
	GF/GP	NA	\$0
8. Mobile Branch Office Staffing		FTE	NA
<u>Executive</u> provides \$1.2 million in state restricted TACF revenue and authorization for 10.0 FTE positions to support staffing of 7 mobile secretary of state office vans to provide easy access of services to rural areas and locations with high concentrations of customers with barriers to visiting branch offices in-person. <u>House</u> concurs.	Gross	NA	10.0
	Restricted	NA	\$1,220,000
	GF/GP	NA	1,220,000
9. Record Lookup Fee Increase		Gross	NA
<u>Executive</u> recommends increasing the fee for record lookups from \$11 to \$15 and moving the authorization for these fees from boilerplate to statute. The fee increase would provide approximately \$19.0 million of additional annual revenue to TACF to address a structural budget imbalance leading to a projected revenue shortfall by FY 2024-25. <u>House</u> concurs.	Restricted	NA	0
	GF/GP	NA	\$0
10. Implementation of Ballot Proposals 1 and 2 of 2022 (Ongoing and One-Time)		FTE	NA
<u>Executive</u> provides \$4.7 million GF/GP and authorization for 3.0 FTE positions to support costs related to implementing Proposals 22-1 and 22-2. An additional \$11.5 million GF/GP is recommended in FY 2022-23 to implement the ballot proposals. FY 2023-24 funding would be allocated as follows: <ul style="list-style-type: none"> Proposal 1 - \$138,600 and 1.0 FTE position for an information technology (IT) developer to accommodate changes in receiving and reporting electronic filings of annual financial disclosure reports Proposal 2 - \$2.5 million to fund local clerks' postage costs for absent-voter applications and ballots; \$1.8 million for security video recording data and maintenance of ballot drop boxes; \$277,200 and 2.0 FTE positions for ongoing department administration and oversight of the changes. <u>House</u> concurs and adds \$15.0 million GF/GP in one-time funding for implementing additional costs of Proposal 22-2 for a total increase of \$19.7 million.	Gross	NA	3.0
	GF/GP	NA	\$19,713,600
	GF/GP	NA	\$19,713,600
11. Organ Donor Registration (One-Time)		Gross	NA
<u>House</u> appropriates \$50,000 of private funding from the Thomas Daley Gift of Life Fund to facilitate the growth of organ donor registration in Michigan by creating the ability to opt to become an organ donor on state tax forms. This initiative would be done in coordination with Treasury and a corresponding \$15,000 appropriation of private funds.	Private	NA	50,000
	GF/GP	NA	\$0

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
12. Economic Adjustments	Gross	NA	\$53,800
<u>Executive</u> adjusts for increased costs of \$53,800 Gross (decrease of \$600 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	IDG	NA	(73,500)
	Federal	NA	(1,500)
	Restricted	NA	129,400
	GF/GP	NA	(\$600)

Major Boilerplate Changes from FY 2022-23

Sec. 701. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$500,000, state restricted authorization by up to \$500,000, local authorization by up to \$25,000, and private authorization by up to \$50,000. Executive revises to increase maximum amounts of contingency authorizations up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local and \$100,000 in private contingency funds to be appropriated. House concurs.

Sec. 703. Commercial Look-Up Fees – REVISED

Authorizes DOS to sell copies of records for various conveyances and to use revenue to finance expenses; sets fee for record look-up services to \$11 per record sold; requires revenue balance at fiscal year-end to be credited to Transportation Administration Collection Fund; requires department to provide quarterly report on number of records sold and revenue collected. Executive deletes. House revises to increase the record look-up fee from \$11 to \$15.

Sec. 703a. Bulk Records Sales – DELETED

Authorizes secretary of state to contract for sale of lists of driver and motor vehicle records and other records maintained under Michigan Vehicle Code in bulk, in addition to those lists distributed at cost or at no cost under this section for purposes permitted by and described in section 208c(3) of the Michigan Vehicle Code; requires secretary of state to require each purchaser of bulk records to execute written purchase contract; permits secretary of state to affix cost of not over \$35 per 1,000 records requested. Executive deletes. House concurs.

Sec. 705. Department Publications – RETAINED

Authorizes DOS to accept gifts and grants to underwrite publications pertaining to the vehicle code, and authorizes DOS to approve paid advertising in such publications; authorizes unexpended funds to be carried forward into the next fiscal year; requires annual report on details of gifts received under this subsection, expenditures made from those gifts, and other details. Executive revises to delete reporting requirement. House retains current language.

Sec. 712. Automotive Repair Facilities Training Video – DELETED

Authorizes DOS to produce and sell automotive repair facilities training video and charge a fee not to exceed cost of production and distribution; requires fee revenue to be deposited into auto repair facility account. Executive retains. House deletes.

Sec. 713. Organ Donor Program Public Information Campaign – REVISED

Provides for receipt and expenditure of funds for a public information campaign for organ donor program; authorizes revenues from gifts and grants to be carried forward; requires annual report on amount of revenue collected, purpose of each expenditure, and amount of revenue carried forward. Executive revises to delete reporting requirement. House concurs.

Sec. 714. Branch Office Closings or Consolidations – RETAINED

Requires legislature to be notified in writing at least 180 days prior to closing a branch office or 60 days prior to relocating a branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House retains.

Sec. 717. Gifts to Support Department Activities – REVISED

Authorizes DOS to accept non-monetary gifts of a de minimus value to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Executive revises to delete conditions of gifts being non-monetary and of a de minimus value; authorizes expenditure of revenues received under this subsection for functions related to licensing, regulation and safety purposes; deletes reporting requirement. House concurs with Executive but retains reporting requirement.

Major Boilerplate Changes from FY 2022-23

Sec. 718. Full-Time Walk-In Branch Office Services – DELETED

Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which defines as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House concurs.

Sec. 718. Election Spending Subject to Guidance – NEW

Requires funds to be spent in accordance with election law and the instructions, orders and/or guidance of the secretary of state as to the proper method for the conduct and administration of elections. Executive adds new section. House concurs.

Sec. 719. State HAVA Grant Report – RETAINED

Requires a report on reimbursements to counties, cities, and townships from department's election security grant program funded by federal Help America Vote Act funding. Executive deletes. House retains.

Sec. 720. Election Mailings – DELETED

Requires secretary of state, except for under certain conditions, to notify speaker of the house, senate majority leader, and relevant local government clerks of any election-related mailing to 20 percent or more of registered voters in any voting precinct and a copy of planned mailing not later than 14 days before sending mailing. Executive deletes. House concurs.

Sec. 720a. Election Notices Report – DELETED

Requires department to report on figures on voter registrations from information returned from change of address notifications sent by secretary of state. Required information includes number of electors who corrected their voter registration records, and number of possible improper votes cast at preceding primary and general election referred to law enforcement by secretary of state. Executive deletes. House concurs.

Sec. 722. Legacy Mainframes System Modernization – RETAINED

Requires expense report by fund source on Customer and Automotive Records System (CARS) including projected expenses in current and next fiscal years. Executive deletes. House retains.

Sec. 722a. MERTS Election System Report – DELETED

Requires report describing progress made on updating the state's software application for campaign finance and state level committees filing for public office, Michigan Electronic Reporting and Tracking System (MERTS), and on contracting to modernize or replace the system, including timeline towards completing modernization, key implementation dates, and anticipated costs. Executive deletes. House concurs.

Sec. 725. Legacy Costs – DELETED

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House concurs.

ONE-TIME APPROPRIATIONS

Sec. 750. Organ Donor Registry – NEW

Requires the department to facilitate the growth of the donor registry of the state anatomical gift donor registry program in accordance with methods of giving authorized under the Revised Uniform Anatomical Gift Law of the Public Health Code, 1978 PA 368. House adds.

Sec. 751. Proposal 22-2 Implementation – NEW

Requires funds appropriated for Proposal 22-2 to be used to support costs related to implementing Proposal 22-2; requires a report on expenditures by purpose and disbursements by local unit of government when applicable. House adds.

FY 2023-24: TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: As Reported by House Appropriations Committee
House Bill 4292 (H-2)



Analyst: Michael Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$1,047,125,600	\$1,082,389,000	\$1,082,389,000	\$	\$	\$35,263,400	3.4
Federal	5,217,200	4,699,000	4,699,000			(518,200)	(9.9)
Local	2,331,200	2,334,700	2,334,700			3,500	0.2
Private	137,400	137,400	137,400			0	0.0
Restricted	123,219,300	134,180,300	134,180,300			10,961,000	8.9
GF/GP	657,109,000	637,611,800	559,401,900			(97,707,100)	(14.9)
Gross	\$1,835,139,700	\$1,861,352,200	\$1,783,142,300	\$	\$	(\$51,997,400)	(2.8)
FTEs	3,167.0	3,216.0	3,220.0			53.0	1.7

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and the Office of Children's Ombudsman.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Administrative Services/Data and Analytics Transfer

Executive transfers \$160,000 from the Administrative Services line item to the Michigan Center for Data and Analytics line item to align data analytics and related information technology costs to support the Michigan Center for Data and Analytics in accordance with Executive Order No. 2022-11 for a net \$0 change. The Michigan Center for Data and Analytics was renamed from the Bureau of Labor Market Information and Strategies. House concurs.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Gross	NA	\$0
GF/GP	NA	\$0

2. Health and Safety Office Transfer

Executive transfers \$353,000 and 2.0 FTE positions from the Administrative Services line item to Building Operation Services line item to align with the current structure, operations, and administration of the Health and Safety Office within the State Facilities Administration. The transfer incorporates a \$31,100 reduction in state restricted Special Revenue, Internal Service, and Pension Trust Funds revenue and a corresponding increase in IDG funding from Building Occupancy and Parking Charges revenue. House concurs.

FTE	NA	0.0
Gross	NA	\$0
IDG	NA	31,000
Restricted	NA	(31,000)
GF/GP	NA	\$0

3. Business Incentive Study Funding Removal

Executive removes \$1.0 million GF/GP for implementation of the Economic Development Incentive Evaluation Act (2018 PA 540) which requires the department to contract with a private entity, nonprofit entity, or academic institution for the periodic evaluation of economic development incentives as outlined in the Act. House concurs.

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

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
4. SIGMA Contractual Cost Increase	Gross	NA	\$366,500
<u>Executive</u> provides \$366,500 GF/GP to align resources with contractual inflationary cost increases to support the operations of Statewide Integrated Governmental Management Applications (SIGMA), the state's enterprise resource planning tool. <u>House</u> concurs.	GF/GP	NA	\$366,500
5. Statewide Janitorial Service Contract Increases	Gross	NA	\$2,108,000
<u>Executive</u> provides \$2.1 million in IDG funding from Building Occupancy and Parking Charges to align authorization with ongoing contractual janitorial service costs for state-owned and managed facilities. <u>House</u> concurs.	IDG	NA	2,108,000
	GF/GP	NA	\$0
6. Caro Psychiatric Hospital Building Operations	FTE	NA	9.0
<u>Executive</u> provides \$3.5 million in IDG funding from Building Occupancy and Parking Charges and authorization for 9.0 FTE positions for ongoing building management and operational support of the Caro State Psychiatric Hospital that is anticipated to be completed in Spring of 2023. <u>House</u> concurs.	Gross	NA	\$3,477,000
	IDG	NA	3,477,000
	GF/GP	NA	\$0
7. Central Procurement Staffing and IT Enhancements	FTE	NA	4.0
<u>Executive</u> provides \$984,100 in state restricted funding to support additional procurement services staff and to enhance operations of the central procurement database. <u>House</u> concurs with funding and adds authorization for 4.0 FTE positions.	Gross	NA	\$984,100
	Restricted	NA	984,100
	GF/GP	NA	\$0
8. State Budget Office FTE Increase	FTE	NA	5.0
<u>Executive</u> provides authorization for 5.0 FTE positions for the State Budget Office. <u>House</u> concurs.	Gross	NA	\$0
	GF/GP	NA	\$0
9. Design and Construction Services Staffing Increase	FTE	NA	14.0
<u>Executive</u> provides \$2.2 million in IDG funding from User Fees and authorization for 14.0 FTE positions to support costs to the Division of Design and Construction Services for project management and oversight as the number of construction projects in development across state government have increased with the influx of federal state fiscal relief funding. <u>House</u> concurs.	Gross	NA	\$2,200,000
	IDG	NA	2,200,000
	GF/GP	NA	\$0
10. Federal Employment Services Reduction	Gross	\$3,021,000	(\$500,000)
<u>Executive</u> reduces \$500,000 in federal Wagner-Peyser Employment Service Program funding allocated to the Michigan Center for Data and Analytics. <u>House</u> concurs.	Federal	3,021,000	(500,000)
	GF/GP	\$0	\$0
11. Fleet Vehicle Travel Services Rate Increase	Gross	\$85,732,400	\$2,000,000
<u>Executive</u> provides \$2.0 million in IDG funding from the Motor Transport Fund to align IDG authorization with increased travel services rates charged to departments to reflect higher projected gasoline prices. <u>House</u> concurs.	IDG	85,732,400	2,000,000
	GF/GP	\$0	\$0
12. SWCAP Adjustment	Gross	NA	\$0
<u>Executive</u> reallocates fund sourcing associated with the annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and increase of \$1.3 million GF/GP. <u>House</u> concurs.	IDG	NA	(216,800)
	Restricted	NA	(1,060,200)
	GF/GP	NA	\$1,277,000

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
13. IT IDG Line Item Consolidation			
<u>Executive</u> consolidates funding for five IT IDG line items and FTE positions, totaling \$271.9 million, into a new Information Technology Services line item which would receive all department IT IDG funding of \$855.3 million, for a net \$0 change. Consolidations would reflect delivery of IT services being project-based instead of department-based. Consolidations by line item: <ul style="list-style-type: none"> • Education Services - \$5.0 million and 33.0 FTE positions • General Services - \$139.8 million and 350.5 FTE positions • Public Protection - \$64.1 million and 162.5 FTE positions • Resources Services - \$21.9 million and 138.5 FTE positions • Transportation Services - \$41.1 million and 99.5 FTE positions. <u>House</u> concurs.	FTE	784.0	0.0
	Gross	\$271,888,900	\$0
	IDG	271,888,900	0
	GF/GP	\$0	\$0
14. Annual IT IDG Baseline Adjustment			
<u>Executive</u> increases IDG funding from Technology User Fee revenue by \$26.8 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget. <u>House</u> concurs.	Gross	NA	\$26,831,300
	IDG	NA	26,831,300
	GF/GP	NA	\$0
15. IT Personnel Transfer to Lottery			
<u>Executive</u> transfers \$155,300 in IDG funding from Technology User Fee revenue and 1.0 FTE position to the Michigan Bureau of State Lottery to organize employees by tasks typically performed by agencies. <u>House</u> concurs.	FTE	1.0	(1.0)
	Gross	\$155,300	(\$155,300)
	IDG	155,300	(155,300)
	GF/GP	\$0	\$0
16. Office of the Child Advocate Expansion			
<u>Executive</u> provides \$1.6 million GF/GP and authorization for 8.0 FTE positions to the Office of the Child Advocate (OCA) (formerly the Office of Children's Ombudsman). The office is an autonomous state agency established under 1994 PA 204 and charged with investigating actions and policies of Department of Health and Human Services and child placement agencies related to Michigan's child protection services. The increased funding would allow OCA to investigate facility complaints on behalf of children within the juvenile justice system upon an amendment to 1994 PA 204 to expand the Office's authorized role. The investment is based on recommendations from the Task Force on Juvenile Justice Reform established under Executive Order 2021-6. <u>House</u> concurs.	FTE	14.0	8.0
	Gross	\$2,160,200	\$1,600,000
	GF/GP	\$2,160,200	\$1,600,000
17. State Building Authority Capital Outlay Debt Financing			
<u>Executive</u> provides \$5.0 million GF/GP to the annual amount set aside for payments on debt for capital construction projects financed through the State Building Authority to reflect a projected increase in payments due on bonds following recent increases in state capital outlay projects. <u>House</u> concurs.	Gross	\$231,570,600	\$5,000,000
	GF/GP	\$231,570,600	\$5,000,000
18. Civil Service – State Restricted Revenue Alignment			
<u>Executive</u> reduces \$1.5 million in state restricted State Sponsored Group Insurance revenue to align authorization with available revenues collected from assessments to fund the state's flexible spending account program. <u>House</u> concurs.	Gross	\$11,200,500	(\$1,500,000)
	Restricted	11,200,500	(1,500,000)
	GF/GP	\$0	\$0
19. Civil Service – Increased HR Staffing			
<u>Executive</u> provides \$1.9 million Gross (\$895,800 GF/GP) and authorization for 14.0 FTE positions to support additional staff for the Civil Service Commission to assist in providing timely human resources services for hiring and staffing operations statewide. <u>House</u> concurs.	FTE	279.0	14.0
	Gross	\$36,171,700	\$1,931,400
	Restricted	21,944,700	1,035,600
	GF/GP	\$14,227,000	\$895,800

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
20. State Facilities Maintenance (One-Time)		Gross	
<u>Executive</u> provides \$100.0 million GF/GP one-time for maintenance, demolition, and infrastructure projects for 800 buildings and 5,000 state-owned structures. This is an increase of \$30.0 million from a FY 2022-23 one-time appropriation of \$70.0 million for the same purpose. With \$28.0 million GF/GP in the current-year base, a total of \$128.0 million would be available for deferred special maintenance projects. <u>House</u> provides \$68.0 million GF/GP one-time for a \$2.0 million decrease from FY 2022-23 one-time funding.		\$70,000,000	(\$2,000,000)
	GF/GP	\$70,000,000	(2,000,000)
21. Information Technology Innovation Fund (ITIF) Legacy IT System Projects (Ongoing & One-Time)		Gross	
<u>Executive</u> provides \$76.2 million GF/GP in total ITIF funding (\$41.2 million GF/GP one-time) to support new information technology legacy system modernization projects. This represents a \$58.8 million GF/GP reduction in the one-time appropriation. The ongoing appropriation would be maintained at \$35.0 million GF/GP. FY 2023-24 recommended projects list includes \$40.5 million for expansion of the system supporting the state's city income tax collection service to accommodate inclusion of the City of Flint and 22 other cities, should they elect to participate. <u>House</u> includes a \$100 GF/GP one-time placeholder for a \$100.0 million decrease in one-time funding.		\$135,000,000	(\$99,999,900)
	GF/GP	\$135,000,000	(\$99,999,900)
22. ORS IT Database Modernization (One-Time)		Gross	
<u>Executive</u> provides \$11.8 million in state restricted Pension Trust Fund revenue to complete the modernization of the Clarety transactional database used by the Office of Retirement Services to serve all members of the state's retirement system. <u>House</u> concurs.		NA	\$11,800,000
	Restricted	NA	11,800,000
	GF/GP	NA	\$0
23. State Fleet Electric Vehicles (One-Time)		Gross	
<u>Executive</u> provides \$10.0 million GF/GP to begin transitioning the state's fleet of over 14,000 leased and owned vehicles to electric vehicles. <u>House</u> includes all but \$100 of the Executive recommendation.		NA	\$9,999,900
	GF/GP	NA	\$9,999,900
24. Statewide Student Data Record System Planning (One-Time)		Gross	
<u>Executive</u> provides \$2.0 million GF/GP to support planning efforts towards the establishment of a statewide student data record system that aims to enhance data analytics and improve strategies for achievements and degree completion. <u>House</u> concurs.		NA	\$2,000,000
	GF/GP	NA	\$2,000,000
25. Civil Service – Management Training (One-Time)		Gross	
<u>Executive</u> provides \$5.0 million GF/GP for the Civil Service Commission to support the creation of a training program for the next generation of state employee managers. <u>House</u> does not include.		NA	\$0
	GF/GP	NA	\$0
26. Security Scorecard Cybersecurity Monitoring		Gross	
<u>House</u> provides a \$100 GF/GP placeholder for software that would provide cybersecurity vulnerability information about companies that do business with state departments and agencies to track cyber threats in the state's vendor ecosystems.		NA	\$100
	GF/GP	NA	\$100
27. Removal of Current Year One-Time Funding		Gross	
<u>Executive</u> eliminates \$15.8 million GF/GP of one-time funding appropriated in FY 2022-23:		\$185,750,000	(\$15,750,000)
<ul style="list-style-type: none"> \$750,000 for Software Purchasing Review services \$15.0 million for Supply Chain Technology software. <u>House</u> concurs.		\$185,750,000	(\$15,750,000)
	GF/GP		

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
28. Economic Adjustments	Gross	NA	(\$1,390,500)
Executive adjusts for decreased costs of \$1.4 million Gross (\$96,500	IDG	NA	(1,011,800)
GF/GP) for negotiated salary and wage increases (2.0% on October 1,	Federal	NA	(18,200)
2023), actuarially required retirement contributions, worker's	Local	NA	3,500
compensation, building occupancy charges, rent, and other economic	Restricted	NA	(267,500)
adjustments. <u>House</u> concurs.	GF/GP	NA	(\$96,500)

Major Boilerplate Changes from FY 2022-23

Sec. 801. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$2.0 million, state restricted authorization by up to \$4.0 million, local authorization by up to \$75,000, and private authorization by up to \$50,000. Executive revises to increase maximum amounts of contingency authorizations up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local and \$2,000,000 in private contingency funds to be appropriated. House concurs.

Sec. 809. Computer Contracts – REVISED

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$250,000, individually or in aggregate. Executive deletes. House revises to increase contract change reporting threshold to \$300,000.

Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs) – RETAINED

Requires DTMB to maintain an internet website with notice of all ITBs and RFPs over \$50,000, except for solicitations up to \$500,000 in accordance with department policy regarding providing opportunities to certain veteran and disabled-owned business; requires information to appear on first page of each department dashboard; requires ITBs and RFPs to be posted for at least 14 days prior to bid deadline. Revised to delete requirement for information to appear on first page of each department dashboard. Executive deletes. House retains current language.

Sec. 813. Motor Vehicle Fleet – REVISED

Provides for motor vehicle charges and management of motor vehicle fleet; requires detailed plan for operation of fleet; authorizes adjustment of spending authorization and motor transport fund IDG as needed to ensure that authorization meets total fleet expenditures; requires department to post the plan on its website. Executive revises to eliminate certain reporting requirements, including information on efforts to reduce travel expenditures, calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if they were required to pay motor fuel taxes, the cost to operate the fleet garage, and the number of fleet garage locations; revised report due date from 60 to 90 days after the close of the fiscal year; eliminated requirement for report to be posted on the department's website; changed threshold at which DTMB is authorized to charge state agencies from \$3.04 per gallon of unleaded gasoline to 10% of the budgeted per gallon price. House concurs with change in gasoline charging authorization and report due date and retains reporting requirements.

Sec. 816. Privatization RFPs – DELETED

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price. (Governor deemed this section unenforceable in FY 2022-23.) Executive deletes. House concurs.

Sec. 818. Law Enforcement Officers Memorial – REVISED

Provides for receipt and expenditure of money from Michigan Law Enforcement Officers Memorial Monument Fund. Executive revises to designate deposits into the fund as restricted revenues and to carry forward into succeeding fiscal years. House concurs.

Sec. 821. Office of Retirement Services Report – RETAINED

Requires Office of Retirement Services (ORS) to produce a report on Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of annual required contribution flow per fiscal year and justification if payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for Michigan Public School Employees' Retirement System; requires ORS to post most recent year's CAFR for each plan. Executive deletes. House retains.

Sec. 822d. Fees and Rates Charged to State Agencies – RETAINED

Requires report on fees and rates charged to state agencies, along with justification for any increases from prior year. Executive deletes. House retains.

Major Boilerplate Changes from FY 2022-23

Sec. 822e. Legacy Costs – DELETED

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House concurs.

Sec. 822g. Legal Services Fund – DELETED

Requires itemized report on all expenditures from Legal Services Fund. Executive deletes. House concurs.

Sec. 822m. Vendor Performance Tracking – REVISED

Requires DTMB to establish a vendor performance tracking system that collaborates with other departments that will be used as a factor in determining future contracts in the procurement process; requires department to list and report all state departments and agencies that have not complied with requirements of this section. Executive revises to delete requirement that the department list and report all state departments and agencies that have not complied with the requirements. House concurs.

Sec. 822n. Request for Proposals Website – RETAINED

Requires DTMB to establish a request for proposal (RFP) website searchable by department and agency. Executive deletes. House retains.

Sec. 822o. Business Incentive Study – DELETED

Requires not more than \$1.0 million appropriated to Administrative Services line item to be expended to implement Economic Development Incentive Evaluation Act (2018 PA 540). Executive deletes. House concurs.

Sec. 822p. Supplier Risk Assessment Program – DELETED

Requires not more than an additional \$300,000 appropriated to Business Support Services line item to be used to maintain a comprehensive supplier risk and information subscription used for the pre-contract risk assessment program described in 2017 PA 107. Executive deletes. House concurs.

DTMB – INFORMATION TECHNOLOGY

Sec. 825. Access to SIGMA and MAIN Data – RETAINED

Requires legislature and all state departments to have access to historical and current data in SIGMA and MAIN. Executive deletes. House retains.

Sec. 826. Definition of Information Technology Services – DELETED

Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services. Executive deletes. House concurs.

Sec. 827. Michigan Public Safety Communications System (MPSCS) – REVISED

Provides for assessment of fees and expenditure of revenues pertaining to MPSCS; requires report on revenue collected and expenditures made in support of the system; authorizes unencumbered funds to be carried forward. Executive revises to delete reporting requirement. House concurs.

Sec. 828. IT-Related Appropriations and Expenditures – REVISED

Requires detailed quarterly report on funding and expenditures for IT services and projects. Executive deletes. House revises to make report annual.

Sec. 829. Life-Cycle of Hardware and Software – DELETED

Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software. Executive deletes. House concurs.

Sec. 831. Information Technology Services Billing – RETAINED

Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 45 days after receiving approval from departments to pay vendor invoices. Executive deletes. House retains.

Sec. 832. Child Support Enforcement System – DELETED

Requires DTMB to notify legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; requires additional reporting in event of penalties being imposed. Executive deletes. House concurs.

Sec. 838. Solar Energy Projects Selection Process – DELETED

Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section. Executive deletes. House concurs.

Major Boilerplate Changes from FY 2022-23

Sec. 839. Federal and State Restricted Revenue for ITIF – NEW

Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to the amounts earned based on the initiatives undertaken with the General Fund appropriation. Executive adds new section. House concurs.

Sec. 840. EPMO Performance Measures – DELETED

Requires development and use of metrics for activities related to funds appropriated to Enterprise Portfolio Management Office. Executive deletes. House concurs.

DTMB – CAPITAL OUTLAY

Sec. 862. Joint Capital Outlay Required Reports – RETAINED

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by the State Building Authority. Executive deletes. House retains.

Sec. 863. Capital Outlay Rental Increase Approval – DELETED

Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than \$500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House concurs.

Sec. 863a. State Building Occupancy and Use Report – DELETED

Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements including projections of amounts of state-owned and leased buildings, comparisons of 2019 occupancy levels with current and projected levels, plan for building occupancy efficiency, projected costs to complete space optimization plan, projected savings resulting from property divestments, and descriptions of each divested property. Executive deletes. House concurs.

Sec. 866. Energy Efficiency Revolving Fund – NEW

Creates the Energy Efficiency Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into the fund and to credit interest and earnings into the fund; provides carry-forward authorization for unexpended funds at close of fiscal year; requires DTMB to provide oversight for the fund and coordinate a call for projects and prioritize projects to be awarded funds; limits administrative costs to 10% of the total project cost; describes department's responsibilities in administering the fund. Executive adds new section. House concurs.

Sec. 867. Special Maintenance, Remodeling, and Additions for State Agencies – NEW

Appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the State Budget Director to determine the appropriate manner for implementing this section. Executive adds new section. House concurs.

DTMB – ONE-TIME APPROPRIATIONS

Sec. 890. Software Purchasing Review – DELETED

Provides a list of technical requirements and functions for platform purchased with one-time designated funds appropriated for Software Purchasing Review. Executive deletes. House concurs.

Sec. 890. Security Scorecard Cybersecurity Monitoring – NEW

Requires department to contract with a vendor to provide software that provides cybersecurity vulnerability information about companies that the state does business with and the state's vendor ecosystem; lists eligibility requirements for software vendor; lists metrics that contracted software must provide.

Sec. 891. Supply Chain Software Solicitation – DELETED

Requires department, with one-time designated funds appropriated for Supply Chain Technology, to solicit Michigan-based vendor for a software product that provides real-time visibility platforms for complex supply chains; provides eligibility criteria for selecting vendor. Executive deletes. House concurs.

FY 2023-24: TREASURY

Summary: As Reported by House Appropriations Committee House Bill 4292 (H-2)



Analyst: Viola Bay Wild

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
	\$11,153,100	\$11,097,300	\$11,097,300	\$	\$	(\$55,800)	(0.5)
Federal	24,970,700	24,921,800	24,921,800			(48,900)	(0.2)
Local	13,209,600	15,038,100	13,188,100			(21,500)	(0.2)
Private	31,000	33,200	48,200			17,200	55.5
Restricted	2,060,674,700	2,247,416,800	2,247,416,800			186,742,100	9.1
GF/GP	1,161,524,600	291,545,600	291,545,700			(869,978,900)	(74.9)
Gross	\$3,271,563,700	\$2,590,052,800	\$2,588,217,900	\$	\$	(\$683,345,800)	(20.9)
FTEs	1,978.5	2,013.5	2,008.5			30.0	1.5

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and State Building Authority (SBA) are autonomous agencies housed within the department.

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change	
1. Constitutional Revenue Sharing		Gross	\$1,036,594,900	\$61,911,000
<u>Executive</u> increases authorization for restricted sales tax revenue by \$61.9 million over the FY 2022-23 appropriated amount. Appropriation represents a \$5.9 million decrease from January 2023 CREC estimates for FY 2022-23 payments. <u>House</u> concurs.	Restricted	1,036,594,900	61,911,000	
	GF/GP	\$0	\$0	
2. City, Village, and Township (CVT) Revenue Sharing		Gross	\$282,219,900	\$44,862,300
<u>Executive</u> includes a net increase of \$44.9 million restricted sales tax revenue; eliminates FY 2022-23 one-time restricted funding of \$2.7 million and includes \$47.5 million restricted funding for CVT revenue sharing (\$28.0 million is one-time funding). Of the funding, \$28.0 million would support a 5.0% ongoing and 5.0% one-time increase (10.0% total) for CVT revenue sharing payments, and \$19.6 million would support new program to fund CVT public safety initiatives. For the non-public safety payments, a CVT would be eligible for a payment equal to 110.0% of its FY 2022-23 eligible payment. The public safety initiatives payments would support a 7.0% increase in new funding (2.0% ongoing and 5.0% one-time) from FY 2022-23 ongoing payments and would fund local public safety initiatives, such as public safety employee recruitment, retention and training, and equipment and infrastructure improvements. <u>House</u> concurs.	Restricted	282,219,900	44,862,300	
	GF/GP	\$0	\$0	

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
3. County Revenue Sharing	Gross	\$245,806,300	\$39,580,500
<u>Executive</u> includes a net increase of \$39.6 million of restricted sales tax revenue; eliminates FY 2022-23 one-time restricted funding of \$2.4 million and includes \$41.4 million for county revenue sharing (\$24.4 million is one-time funding). Of the funding, \$24.4 million would support a 5.0% ongoing and 5.0% one-time increase (10.0% total) for all 83 counties, and \$17.0 million would support county public safety initiatives. Each county would be eligible to receive 123.1485% of statutory full funding. Includes an additional \$503,600 of restricted sales tax revenue for support for Emmet County, which re-entered the revenue sharing program in FY 2022-23. The public safety initiatives payments would support a 7.0% increase in new funding (2.0% ongoing and 5.0% one-time) from FY 2022-23 ongoing payments and would fund local public safety initiatives, such as public safety employee recruitment, retention and training, and equipment and infrastructure improvements. The County Incentive Program is increased by \$91,800 restricted sales tax revenue. <u>House</u> concurs.	Restricted	245,806,300	39,580,500
	GF/GP	\$0	\$0
4. New Office of Security and Data Risk Management	FTE	15.0	5.0
<u>Executive</u> transfers \$2.2 million current restricted funding and authorization for 15.0 FTE positions within the department and includes additional \$793,000 GF/GP and authorization for 5.0 new FTE positions to establish the new Office of Security and Data Risk Management. The office would secure confidential taxpayer information and protect against cybersecurity attacks. <u>House</u> concurs.	Gross	\$2,197,500	\$793,000
	Restricted	2,197,500	0
	GF/GP	\$0	\$793,000
5. Office of Revenue and Tax Administration (ORTA)	FTE	21.0	3.0
<u>Executive</u> increases funding by \$594,500 GF/GP and includes authorization for 3.0 FTE positions for ORTA to provide increased support for analytical activities and administration of grant programs. <u>House</u> concurs.	Gross	\$4,050,500	\$594,500
	Restricted	2,126,700	0
	GF/GP	\$1,923,800	\$594,500
6. School Bond Loan System	FTE	19.0	1.0
<u>Executive</u> includes \$171,000 GF/GP and authorization for 1.0 FTE position to help administer an updated IT system and application process. The FY 2023-24 executive recommendation proposes that the Information Technology and Investment Fund (ITIF) in the DTMB budget allocate \$1.0 million GF/GP to update the School Bond Qualification and Loan Program application process for local school district school bond loan requests. <u>House</u> concurs.	Gross	\$4,581,200	\$171,000
	IDG	213,600	0
	Restricted	3,958,400	0
	GF/GP	\$409,200	\$171,000
7. Attainable and Workforce Housing Program Administration	FTE	NA	4.0
<u>Executive</u> includes \$665,000 GF/GP and authorization for 4.0 FTE positions for oversight and administration of tax credit programs to be established under the newly enacted Attainable Housing Facilities Act, Residential Housing Facilities Act, and expansion of the Neighborhood Enterprise Zone Act (PAs 236, 237, and 238 of 2022). <u>House</u> concurs.	Gross	NA	\$665,000
	GF/GP	NA	\$665,000
8. Qualified Heavy Equipment Rental Personal Property Tax Implementation	Gross	NA	\$3,420,000
<u>Executive</u> includes \$3.4 million restricted funding for administration of a new program (\$420,000) and for estimated tax refunds (\$3.0 million) under 2022 PA 35 which exempted the personal property tax on heavy equipment rentals and imposed a 2.0% tax on the rental price of heavy equipment. From the revenues generated by the 2.0% tax, 90.0% would be distributed to eligible local tax collecting units. <u>House</u> concurs.	Restricted	NA	3,420,000
	GF/GP	NA	\$0
9. Recreational Marihuana Grants to Locals	Gross	\$50,580,000	\$21,090,000
<u>Executive</u> includes \$21.1 million restricted funding to align grant payments to local governments with the expected increase in revenues. <u>House</u> concurs.	Restricted	50,580,000	21,090,000
	GF/GP	\$0	\$0

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
10. Michigan State Lottery			
<u>Executive</u> includes \$1.0 million restricted funding and authorization for 1.0 FTE position to increase support for Lottery's efforts to sell and promote products through both online and retail outlets. <u>House</u> concurs.		FTE 211.0	1.0
	Gross	\$30,327,000	\$1,000,000
	Restricted	30,327,000	1,000,000
	GF/GP	\$0	\$0
11. Michigan Gaming Control Board (MGCB)			
<u>Executive</u> includes \$2.5 million restricted funding and authorization for 16.0 FTE positions for additional staff, MGCB Board expenses, and IT upgrades for increased responsibilities related to the regulation of internet gaming and sports betting activities. New FTE positions would be for regulation officers, auditors, and financial and department analysts positions. <u>House</u> concurs.		FTE 169.0	16.0
	Gross	\$32,742,600	\$2,544,700
	Restricted	32,742,600	2,544,700
	GF/GP	\$0	\$0
12. MGCB Information Technology Accounts Receivable System			
<u>Executive</u> includes \$2.0 million one-time restricted funding for an upgraded accounts receivable system for invoicing and payment collections. <u>House</u> concurs.		Gross NA	\$2,000,000
	Restricted	NA	2,000,000
	GF/GP	NA	\$0
13. Payment in Lieu of Taxes (PILT)			
<u>Executive</u> includes \$2.1 million Gross (\$1.7 million GF/GP) increase in PILT payments for property tax payments to local units of government for state lands owned by the Department of Natural Resources to align payments with current property tax estimates. <u>House</u> concurs.		Gross \$30,175,400	\$2,112,700
	Private	31,000	2,200
	Restricted	6,212,800	435,100
	GF/GP	\$23,931,600	\$1,675,400
14. City Income Tax Administration Program Expansion			
<u>Executive</u> includes \$1.9 million local funding and authorization for 5.0 FTE positions for the administration of a proposed expansion of the city income tax administration program. The FY 2023-24 executive recommendation proposes that the ITIF in the DTMB budget allocate \$40.5 million GF/GP to improve the program's IT system to be able to expand the program on a voluntary basis to the 23 cities that currently levy city income taxes. Currently, the City of Detroit is the only city that uses the administration program. Of the \$1.9 million increase, \$850,000 would support additional staff and \$1.0 million would support IT-related costs. <u>House</u> does not include.		FTE 72.0	0.0
	Gross	\$10,148,200	\$0
	Local	10,148,200	0
	GF/GP	\$0	\$0
15. Presidential Primary One-Time Funding			
<u>Executive</u> includes \$20.0 million one-time GF/GP for the Michigan presidential primary election and additional related costs of Proposal 2 of 2022. In past presidential primary elections, the state has provided funding to local clerks for the costs of this primary. <u>House</u> includes \$20.0 million GF/GP (\$100 less than the executive).		Gross \$0	\$19,999,900
	GF/GP	\$0	\$19,999,900
16. Other Technical Adjustments			
<u>Executive</u> includes the following technical adjustments:		Gross NA	\$10,698,600
• Includes \$10.1 million restricted funding for the Convention Facility Development Distribution due to anticipated increased revenue	Restricted	NA	10,608,600
• Includes an increase of \$318,600 restricted funding for emergency 911 payments	GF/GP	NA	\$90,000
• Includes an increase of \$150,000 restricted funding in Bureau of Investments			
• Includes \$90,000 GF/GP for the Senior Citizen Cooperative Housing Tax Exemption Program for new facilities entering the program.			
<u>House</u> concurs.			
17. Advertising for Responsible Gaming			
<u>Executive</u> transfers the \$3.0 million restricted funding for the advertising for responsible gaming that is one-time funding in FY 2022-23 to on-going funding. <u>House</u> retains funding as one-time.		Gross \$3,000,000	\$0
	Restricted	3,000,000	0
	GF/GP	\$0	\$0

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
18. Organ Donor Registry	Gross	NA	\$15,000
<u>House</u> includes \$15,000 one-time private funding from the Thomas Daley Gift of Life Fund to implement new program to allow taxpayers to sign up for the organ donor registry on state income tax forms. <u>Executive</u> does not include.	Private	NA	15,000
	GF/GP	NA	\$0
19. Raise Up Local State Matching Grant Program	Gross	NA	\$100
<u>House</u> includes \$100 one-time GF/GP for the Raise Up Local State Matching Grant Program. <u>Executive</u> does not include.	GF/GP	NA	\$100
20. Municipal Pension System Grants	Gross	NA	\$100
<u>House</u> includes \$100 one-time GF/GP for the municipal grant program. <u>Executive</u> does not include.	GF/GP	NA	\$100
21. FY 2022-23 One-Time Appropriations	Gross	\$869,000,000	(\$869,000,000)
<u>Executive</u> removes the following one-time GF/GP appropriations included in FY 2022-23:	GF/GP	\$869,000,000	(\$869,000,000)
• \$750.0 million – Local municipal pension principal payment grants			
• \$100.0 million – Deposit into the MSP retirement system			
• \$19.0 million – Transportation Administration Support Fund.			
<u>House</u> concurs.			
22. Removal of FY 2022-23 Supplemental Appropriations	Gross	\$25,000,000	(\$25,000,000)
<u>Executive</u> removes \$25.0 million GF/GP included in FY 2022-23 supplemental in 2023 PA 1 for the Water Shutoff Prevention Fund. <u>House</u> concurs.	GF/GP	\$25,000,000	(\$25,000,000)
23. Economic Adjustments	Gross	NA	(\$804,200)
<u>Executive</u> reflects reduced costs of \$804,200 million Gross (increase of \$32,100 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	IDG	NA	(55,800)
	Federal	NA	(48,900)
	Local	NA	(21,500)
	Restricted	NA	(710,100)
	GF/GP	NA	\$32,100

Major Boilerplate Changes from FY 2022-23

TREASURY OPERATIONS

Sec. 901. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$500,000, state restricted authorization by up to \$10.0 million, local authorization by up to \$100,000, and private authorization by up to \$20,000. Executive revises to increase maximum amounts of contingency authorizations for federal to \$1.0 million, state restricted authorization to \$10.0 million, local authorization to \$200,000, and private authorization to \$40,000. House concurs.

Sec. 902a. Notification of Bond Refinancing and Restructuring – RETAINED

Requires the department to report, within 30 days after a new refinancing or restructuring bond sale, on the annual debt service changes, change in principal and interest over the duration of the debt, and the projected change in present value of the debt service due to the refinancing. Executive deletes. House retains.

Sec. 938. Qualified Heavy Equipment Rental Personal Property Exemption (QHERPPE) – NEW

Executive appropriates revenue collected in new QHERPPE reimbursement fund and directs the distribution of funding to follow section 9 of 2022 PA 35. House concurs.

Sec. 947. Financial Independence Teams – RETAINED

Stipulates that financial independence teams shall cooperate with the financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts. Executive deletes. House retains.

Sec. 948. Annual Legacy Costs – DELETED

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House concurs.

Major Boilerplate Changes from FY 2022-23

Sec. 949a. City Income Tax Expansion – RETAINED

Authorizes funds appropriated for the city income tax administration to be used for expansion of individual income tax returns to one additional city; revises to allow the department to expand the program to additional cities; appropriates local funding received from agreements with cities for staffing and administration of the program. Executive revises language to allow expansion of program to additional cities. House retains current-year language.

Sec. 949g. Equal Opportunity Program Funding Distribution – RETAINED

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act. Executive deletes. House retains.

Sec. 949l. Transportation Administration Support Fund – DELETED

Creates the Transportation Administration Support Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated for the fund are to be deposited in the fund. Executive deletes. House concurs.

REVENUE SHARING

Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program – REVISED

Specifies distribution of \$266.2 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00; eligible payment is equal to 110.0% of its FY 2021-22 eligible payment; in order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency; to qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency; any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Executive revises to reflect eligible payment equal to 110.0% of FY 2022-23 eligible payment (5.0% ongoing and 5.0% one-time) and a separate 7.0% increase to be used for local public safety initiatives (2.0% ongoing and 5.0% one-time); any CVT determined to have a pension system in underfunded status must allocate the amount of its current payment minus an amount equal to 7.0% of total eligible payment minus the sum of its FY 2022-23 ongoing and one-time payment amount to its pension unfunded liability, and deletes requirement of a citizen's guide of local finances and a performance dashboard. House concurs.

Sec. 955. County Revenue Sharing Payments – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 117.3115% of the amount determined pursuant to the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140; requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to increase payments to counties to 123.1485% of statutory full funding which represents a 17.0% increase over FY 2022-23 ongoing payment – 10.0% consists of a 5.0% ongoing and 5.0% one-time increase and a separate 7.0% increase to be used for local public safety initiatives (2.0% ongoing and 5.0% one-time); any county determined to have a pension system in underfunded status must allocate the amount of its current payment minus an amount equal to 7.0% of total eligible payment minus the sum of its FY 2022-23 ongoing and one-time payment amount to its pension unfunded liability. House concurs.

ONE-TIME APPROPRIATIONS

Sec. 979a. Responsible Gaming Advertising – NEW

House includes language requiring MGCB, in consultation with DHHS, to allocate funding to support addiction prevention and education efforts in addition to responsible gaming advertising; requires report on expenditures. Executive does not include.

Sec. 979b. Raise Up Local State Matching Grant Program – NEW

House includes language requiring the department to establish a Raise Up Local State Matching Grant Program to provide matching grants to eligible municipalities for certain property taxes and special assessments. Executive does not include.