



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

DAVID P. MASSARON  
DIRECTOR

February 11, 2021

The Honorable Jim Stamas, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Thomas Albert, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

Attached please find a report on funding recommended in the fiscal year 2022 Executive Budget and in fiscal year 2021 Supplemental Letter 2021-05 to support the costs of legislation affecting local government operations. This report is submitted in compliance with MCL 21.235(3) and MCL 21.241

If you have any questions regarding this report, please contact Bethany Wicksall at (517) 335-3420.

Sincerely,

David P. Massaron  
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader  
Jason Wentworth, Speaker of the House  
Jim Ananich, Senate Minority Leader  
Donna Lasinski, House Minority Leader  
Senate Appropriations Committee  
Senate Fiscal Agency  
House Appropriations Committee  
House Fiscal Agency

JoAnne Huls, Chief of Staff  
Tricia Foster, Chief Operating Officer  
Jen Flood, Deputy Chief of Staff  
George Cook, Director of Legislative Affairs  
Bethany Wicksall, Acting Deputy State Budget  
Director  
Heather Boyd, Office of Financial Management  
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## **FY22 Executive Budget Funding for Legislation Affecting Local Government Operations**

In compliance with MCL 21.235(5) and 21.241(11), additional information is included for funding recommended in the FY22 Executive Budget and FY21 Supplemental Recommendation that supports costs of legislation affecting local government operations: Clean Slate (criminal expungement); Raise the Age (moving 17-year-olds out of adult courts and into juvenile justice system); and Indigent Defense Grants (improving the state's legal system to ensure effective assistance of counsel to indigent defendants).

A detailed list of all estimated payments to local governments in the Governor's FY 2022 Executive Budget follows as Appendix A.

### Clean Slate

In October 2020, Governor Whitmer signed a bipartisan package of seven bills (Public Acts 187-193 of 2020) collectively referred to as "Clean Slate" legislation that facilitate the automatic expungement of certain criminal records with the goal of helping to remove barriers to housing, employment, and other economic opportunities for eligible residents. The FY21 Supplemental Budget presented today recommends \$19 million to support the coordinated development of automated expungement systems in the Departments of Attorney General, Corrections, State Police, and the Judiciary. The legislation requires the state the Department of Technology, Management and Budget to develop and maintain a computer-based program for setting aside criminal convictions and requires the Michigan State Police (MSP) to create and maintain a nonpublic record of each conviction set aside. The MSP system must be electronically accessible by each court in state and used only to update locally maintained court records. An estimated \$2.8 million of the \$19 million in FY22 Executive Budget total will be used to support the costs of non-judiciary case management system updates. The Department of State Police will lead the coordinated development effort across state agencies. In addition to the one-time funding in the FY21 Supplemental, the FY22 Executive Budget recommends ongoing funding of \$2.2 million to fund the costs of staff and maintenance and operations in the budgets for Attorney General, Judiciary and Michigan State Police associated with the legislative changes.

### Raise The Age

In 2019, Governor Whitmer signed legislation to raise the age of automatic adult court jurisdiction from 17 to 18 years of age, keeping youth out of adult court and providing access to age-appropriate rehabilitation services. Raise The Age legislation requires the state to fund 100% of the costs attributable to the changes, rather than following the typical 50/50 cost-sharing between the state and county governments. The FY22 Executive Budget includes \$14.9 million to fund the estimated local costs of Raise The Age legislation.

## Michigan Indigent Defense Grants

Public Act 93 of 2013 (MCL 780.981 – 780.1003) created the Michigan Indigent Defense Commission and authorized it to improve criminal indigent services through a framework of minimum standards. Statute mandates that the additional costs due to implementation of the minimum standards be paid by the state. The Governor's fiscal year 2022 Executive Budget recommends an additional \$19.35 million for implementation of standards 1 through 4, bringing the total to \$137 million, and \$12 million for standard 5 – requiring independence from the judiciary - which was approved last fall.

Additional resources:

Clean Slate - [Link to Legislation](#)

Raise the Age - [Link to Legislation](#)

Indigent Defense Grants - [Link to Legislation](#)

MIDC website: [Michigan Indigent Defense Commission \(michiganidc.gov\)](http://michiganidc.gov)

MIDC FY21 approved costs: [MIDC-FY21-Approved-Totals-December-2020.pdf \(michiganidc.gov\)](#)

**Funding for Legislation Affecting Local Government Operations  
FY22 Executive Budget & FY21 Supplemental Budget**

Requirement	Local Units Affected	Direct Local Cost	State Funding to Cover Local Cost	Coordinating/Responsible State Agency	Purpose
<b>Clean Slate/Criminal Expungement</b>  MCL 780.621 MCL 780.621a-780.621i MCL 780.622 MCL 780.623 MCL 780.624	- Local courts - Local law enforcement agencies	Yes, indeterminate	\$2.8 million for system updates	Department of State Police	Expand criminal record expungement, removing barriers to housing, employment, and other opportunities.
<b>Raise the Age</b>	-County governments - Local courts	Yes	State pays 100% of local costs of juvenile services. A total of \$14.9 million is recommended in FY22 Executive Budget to cover the estimated costs for local governments.	Department of Health and Human Services	Raise The Age of adult court jurisdiction and provide 17-year-old youth access to age-appropriate rehabilitation.
<b>Indigent Defense Grants</b>  MCL 780.981 et seq.	- Local units of government that fund trial courts	Yes	<b>State Funding</b> Standards 1-4: FY22 Executive Budget includes \$19.35 for estimate increases in implementation costs. Standard 5: FY22 Executive Budget includes \$12 million fund the estimated costs of implementation. With these increases, state funding will total \$149 million. <b>Local Funding</b> A local share is required equal to average of 3 years of indigent defense expenditures immediately preceding creation of MIDC. Local share is inflation-adjusted, and excludes any funds paid by partially indigent.	Michigan Independent Defense Commission, an autonomous agency within the Department of Licensing and Regulatory Affairs	Implement minimum standards to improve legal representation for indigent criminal defendants.

## Estimated Payments to Locals - FY22 Executive Recommendation

		FY 2022 Exec Rec
<b>Department Name</b>	<b>Appn Name</b>	
Agriculture and Rural Development	Agriculture preservation easement grants fund	1,900,000
Agriculture and Rural Development	Environmental stewardship - MAEAP	4,100,000
Agriculture and Rural Development	Qualified forest program	1,400,000
Agriculture and Rural Development	Rural development fund grant program	1,400,000
	<b>Agriculture and Rural Development Subtotal</b>	<b>8,800,000</b>
Corrections	County jail reimbursement program	14,814,600
Corrections	Prosecutorial and detainer expenses	4,801,000
Corrections	Community corrections comprehensive plans and services	13,198,100
Corrections	Public safety initiative	4,000,000
Corrections	Residential probation diversions	16,575,500
Corrections	Field operations	68,006,200
Corrections	Residential alternative to prison program	1,500,000
Corrections	Leased beds and alternatives to leased beds	100
	<b>Corrections Subtotal</b>	<b>122,895,500</b>
Education	Renaissance zone reimbursements	2,200,000
Education	State aid to libraries	13,067,700
	<b>Education Subtotal</b>	<b>15,267,700</b>
Environment, Great Lakes, and Energy	Surface water	160,000
Environment, Great Lakes, and Energy	Technology advancements for water monitoring	500,000
Environment, Great Lakes, and Energy	Brownfield grants	1,000,000
Environment, Great Lakes, and Energy	Emergency cleanup actions	116,000
Environment, Great Lakes, and Energy	Refined petroleum product cleanup program	5,000,000
Environment, Great Lakes, and Energy	Renewing Michigan's environment program	20,000,000
Environment, Great Lakes, and Energy	Environmental health	400,000
Environment, Great Lakes, and Energy	Noncommunity water grants	1,900,000
Environment, Great Lakes, and Energy	Septage waste compliance grants	125,000
Environment, Great Lakes, and Energy	Environmental sustainability and stewardship	250,000
Environment, Great Lakes, and Energy	Medical waste program	70,000
Environment, Great Lakes, and Energy	Scrap tire grants	2,000,000
Environment, Great Lakes, and Energy	High water infrastructure grants	40,000,000
Environment, Great Lakes, and Energy	MI clean water plan	255,000,000
	<b>Environment, Great Lakes, and Energy Subtotal</b>	<b>326,521,000</b>
Health and Human Services	Departmental administration and management	1,000
Health and Human Services	Child support incentive payments	9,570,000
Health and Human Services	Legal support contracts	4,000
Health and Human Services	Community services and outreach administration	1,000
Health and Human Services	Crime victim rights services grants	10,813,000
Health and Human Services	Domestic violence prevention and treatment	226,000
Health and Human Services	Homeless programs	6,000
Health and Human Services	Housing and support services	126,000
Health and Human Services	Child care fund	159,000,000
Health and Human Services	Child care fund - indirect cost allotment	3,483,000
Health and Human Services	Child welfare licensing	84,000
Health and Human Services	Child welfare medical/psychiatric evaluations	12,000
Health and Human Services	Children's trust fund grants	35,000
Health and Human Services	Contractual services, supplies, and materials	8,000
Health and Human Services	Foster care payments	1,377,000
Health and Human Services	Strong families/safe children	19,000
Health and Human Services	Youth in transition	4,000
Health and Human Services	Bay pines center	30,000
Health and Human Services	Community support services	274,000
Health and Human Services	Shawono center	9,000
Health and Human Services	Emergency services local office allocations	635,000
Health and Human Services	Indigent burial	3,000
Health and Human Services	Michigan energy assistance program	184,000
Health and Human Services	State disability assistance payments	258,000
Health and Human Services	Contractual services, supplies, and materials	23,000
Health and Human Services	Employment and training support services	9,000
Health and Human Services	Disability determination operations	4,000
Health and Human Services	Behavioral health program administration	343,000
Health and Human Services	Community substance use disorder prevention, education, and treatment	16,753,400
Health and Human Services	Gambling addiction	768,000
Health and Human Services	Mental health diversion council	1,348,000
Health and Human Services	Autism services	117,632,400
Health and Human Services	Certified community behavioral health clinic demonstration	4,500,000
Health and Human Services	Community mental health non-Medicaid services	125,578,200

## FY 2022 Estimated Payments to Locals - Executive Recommendation

		FY 2022 Exec Rec
<b>Department Name</b>	<b>Appn Name</b>	
Health and Human Services	Health homes	37,000
Health and Human Services	Healthy Michigan plan - behavioral health	56,360,200
Health and Human Services	Medicaid mental health services	963,018,000
Health and Human Services	Medicaid substance use disorder services	26,513,700
Health and Human Services	Multicultural integration funding	1,494,000
Health and Human Services	Nursing home PAS/ARR-OBRA	3,476,200
Health and Human Services	State disability assistance program substance use disorder services	2,018,000
Health and Human Services	Caro Regional Mental Health Center - psychiatric hospital - adult	228,000
Health and Human Services	Center for forensic psychiatry	504,000
Health and Human Services	Hawthorn Center - psychiatric hospital - children and adolescents	68,000
Health and Human Services	Kalamazoo Psychiatric Hospital - adult	40,000
Health and Human Services	Walter P. Reuther Psychiatric Hospital - adult	50,000
Health and Human Services	Primary care services	99,000
Health and Human Services	Epidemiology administration	354,000
Health and Human Services	Healthy homes program	601,000
Health and Human Services	AIDS prevention, testing, and care programs	2,470,000
Health and Human Services	Cancer prevention and control program	71,000
Health and Human Services	Chronic disease control and health promotion administration	280,000
Health and Human Services	Essential local public health services	46,269,300
Health and Human Services	Local health services	2,658,000
Health and Human Services	Public health administration	2,000
Health and Human Services	Sexually transmitted disease control program	484,000
Health and Human Services	Smoking prevention program	152,000
Health and Human Services	Dental programs	1,760,000
Health and Human Services	Family planning local agreements	267,000
Health and Human Services	Immunization program	2,310,000
Health and Human Services	Pregnancy prevention program	226,000
Health and Human Services	Prenatal care outreach and service delivery support	3,548,000
Health and Human Services	Medical care and treatment	897,000
Health and Human Services	Outreach and advocacy	2,755,000
Health and Human Services	Aging and adult services administration	1,359,000
Health and Human Services	Community services	27,800,100
Health and Human Services	Nutrition services	12,597,200
Health and Human Services	Respite care program	6,468,700
Health and Human Services	Senior volunteer service programs	672,000
Health and Human Services	Adult home help services	172,000
Health and Human Services	Ambulance services	527,000
Health and Human Services	Auxiliary medical services	1,000
Health and Human Services	Dental services	632,000
Health and Human Services	Healthy Michigan plan	1,089,000
Health and Human Services	Home health services	8,000
Health and Human Services	Hospice services	43,000
Health and Human Services	Hospital disproportionate share payments	20,000
Health and Human Services	Hospital services and therapy	3,274,000
Health and Human Services	Long-term care services	99,363,000
Health and Human Services	Medicaid home- and community-based services waiver	13,383,000
Health and Human Services	Personal care services	32,000
Health and Human Services	Pharmaceutical services	18,000
Health and Human Services	Physician services	3,376,000
Health and Human Services	Special Medicaid reimbursement	40,000
Health and Human Services	Transportation	158,000
<b>Health and Human Services Subtotal</b>		<b>1,743,164,400</b>
Judiciary	Drug treatment courts	8,838,000
Judiciary	Mental health courts and diversion services	5,571,800
Judiciary	Next generation Michigan court system	4,116,000
Judiciary	Swift and sure sanctions program	3,350,000
Judiciary	Veterans courts	1,036,400
Judiciary	Court of appeals operations	200,000
Judiciary	Circuit court judicial salary standardization	9,922,100
Judiciary	District court judicial salary standardization	10,699,500
Judiciary	Probate court judges' state base salaries	11,667,700
Judiciary	Probate court judicial salary standardization	4,669,600
Judiciary	OASI, social security	1,168,200
Judiciary	Court equity fund reimbursements	60,815,700
Judiciary	Drug case-flow program	250,000
Judiciary	Drunk driving case-flow program	3,300,000

## FY 2022 Estimated Payments to Locals - Executive Recommendation

Department Name	Appn Name	FY 2022 Exec Rec
Judiciary	Judicial technology improvement fund	4,815,000
Judiciary	Juror compensation reimbursement	6,608,000
Judiciary	Statewide e-file system	11,028,300
	<b>Judiciary Subtotal</b>	<b>148,056,300</b>
Labor and Economic Opportunity	Going pro	25,918,800
Labor and Economic Opportunity	Workforce development programs	10,680,000
Labor and Economic Opportunity	Michigan rehabilitation services	262,200
Labor and Economic Opportunity	Michigan community service commission	2,300
Labor and Economic Opportunity	Going pro	15,000,000
	<b>Labor and Economic Opportunity Subtotal</b>	<b>51,863,300</b>
Michigan Strategic Fund	Arts and cultural program	1,000,000
	<b>Michigan Strategic Fund Subtotal</b>	<b>1,000,000</b>
Licensing and Regulatory Affairs	Firefighter training grants	2,300,000
Licensing and Regulatory Affairs	Liquor law enforcement grants	8,400,000
Licensing and Regulatory Affairs	Medical marihuana operation and oversight grants	3,000,000
Licensing and Regulatory Affairs	Michigan indigent defense commission grants	148,917,400
Licensing and Regulatory Affairs	Remonumentation grants	6,800,000
	<b>Licensing and Regulatory Affairs Subtotal</b>	<b>169,417,400</b>
Military and Veterans Affairs	Military training sites and support facilities	46,500
Military and Veterans Affairs	County veteran service fund	4,000,000
Military and Veterans Affairs	Michigan veterans affairs agency administration	90,000
	<b>Military and Veterans Affairs Subtotal</b>	<b>4,136,500</b>
Natural Resources	Invasive species prevention and control	1,900,000
Natural Resources	Dam management grant program	175,000
Natural Resources	Fisheries habitat improvement grants	125,000
Natural Resources	Grants to counties - marine safety	1,407,300
Natural Resources	Nonmotorized trail development and maintenance grants	100,000
Natural Resources	Off-road vehicle safety training grants	60,000
Natural Resources	Off-road vehicle trail improvement grants	779,400
Natural Resources	Recreation improvement fund grants	91,600
Natural Resources	Recreation passport local grants	2,000,000
Natural Resources	Snowmobile law enforcement grants	380,100
Natural Resources	Wildlife habitat improvement grants	150,200
Natural Resources	Local boating infrastructure maintenance and improvements	3,322,500
	<b>Natural Resources Subtotal</b>	<b>10,491,100</b>
State	Motorcycle safety education grants	1,308,800
State	Fees to local units	35,000
	<b>State Subtotal</b>	<b>1,343,800</b>
State Police	Justice training grants	4,655,200
State Police	Training only to local units	654,500
State Police	Secondary road patrol program	12,943,600
	<b>State Police Subtotal</b>	<b>18,253,300</b>
Transportation	Grants to regional planning councils	488,800
Transportation	Cities and villages	652,686,200
Transportation	County road commissions	1,170,643,500
Transportation	Grants to local programs	33,000,000
Transportation	Local bridge program	27,812,600
Transportation	Local agency wetlands mitigation	2,000,000
Transportation	Movable bridge	2,776,500
Transportation	Rail grade crossing	1,500,000
Transportation	Rail grade crossing - surface improvements	3,000,000
Transportation	Community service infrastructure fund	3,000,000
Transportation	Forest roads	5,000,000
Transportation	Rural county primary	7,650,500
Transportation	Rural county urban system	2,500,000
Transportation	Target industries/economic redevelopment	9,796,600
Transportation	Urban county congestion	7,650,500
Transportation	Air service program	50,000
Transportation	Local bus operating	196,750,000
Transportation	Detroit/Wayne County Port Authority	400,000
Transportation	Marine passenger service	512,000
Transportation	Municipal credit program	2,000,000
Transportation	Service initiatives	9,329,400
Transportation	Specialized services	8,228,900
Transportation	Transit capital	41,070,700
Transportation	Airport safety, protection, and improvement program	3,068,000

## FY 2022 Estimated Payments to Locals - Executive Recommendation

Department Name	Appn Name	FY 2022 Exec Rec
Transportation	Detroit Metropolitan Wayne County Airport	5,200,000
	<b>Transportation Subtotal</b>	<b>2,196,114,200</b>
Treasury	Convention facility development distribution	107,887,900
Treasury	Emergency 911 payments	26,000,000
Treasury	Health and safety fund grants	1,500,000
Treasury	Recreational marihuana grants	30,000,000
Treasury	Senior citizen cooperative housing tax exemption program	11,271,400
Treasury	Commercial forest reserve	3,368,100
Treasury	Purchased lands	9,971,100
Treasury	Swamp and tax reverted lands	16,836,200
Treasury	City, village, and township revenue sharing	266,245,100
Treasury	Constitutional state general revenue sharing grants	867,302,100
Treasury	County incentive program	43,418,800
Treasury	County revenue sharing	188,097,900
Treasury	Financially distressed cities, villages, or townships	2,500,000
Treasury	Local first responder recruitment and training grants	5,000,000
Treasury	Airport parking distribution	27,000,000
	<b>Treasury Subtotal</b>	<b>1,606,398,600</b>
Community Colleges	MPERS cost offset	1,733,600
Community Colleges	MPERS normal cost offset	11,700,000
Community Colleges	MPERS UAAL rate stabilization payment	87,200,000
Community Colleges	Renaissance zone tax reimbursements	2,200,000
Community Colleges	Operations	331,820,000
	<b>Community Colleges Subtotal</b>	<b>434,653,600</b>
School Aid	School Aid Fund placeholder	7,500,000
School Aid	Adult education	30,500,000
School Aid	At-risk children payments	534,500,000
School Aid	Bilingual education	13,260,000
School Aid	Bus driver safety	2,025,000
School Aid	Community district discretionary payment	72,000,000
School Aid	Court-placed children	7,650,000
School Aid	Court-placed special education FTE	10,500,000
School Aid	CTE per-pupil incentive payment	5,000,000
School Aid	Data collection and reporting costs	38,000,500
School Aid	Discretionary payment	4,626,800,000
School Aid	Drinking water declaration of emergency	5,000,000
School Aid	Dropout recovery program pupil transfers	750,000
School Aid	Early literacy grants to districts	19,900,000
School Aid	Early literacy teacher coaches	31,500,000
School Aid	Early on	7,150,000
School Aid	First robotics	4,700,000
School Aid	Great start early childhood block grant	13,400,000
School Aid	Hold harmless provision	18,000,000
School Aid	Integrated behavior and learning support (MiBLSI)	1,600,000
School Aid	ISD general operations	70,521,000
School Aid	ISD vocational education millage reimbursement	9,190,000
School Aid	Isolated district funding	7,140,000
School Aid	Juvenile detention facilities	1,355,700
School Aid	Literacy essentials training	6,000,000
School Aid	Local produce in school meals	1,800,000
School Aid	Mental health grants	35,600,000
School Aid	Michigan school for the deaf and blind	1,688,000
School Aid	MiStem advisory council	3,050,000
School Aid	MiStem centers	4,584,300
School Aid	MPERS cost offset	100,000,000
School Aid	MPERS normal cost offset	177,460,000
School Aid	MPERS reforms - defined contributions payments	65,300,000
School Aid	MPERS UAAL rate stabilization payment	1,329,000,000
School Aid	Partnership model districts	6,137,400
School Aid	Payment in lieu of taxes	4,645,000
School Aid	Precollege engineering	400,000
School Aid	Promise zone authority act	13,800,000
School Aid	Proposal A obligation payment	4,729,000,000
School Aid	Renaissance zone reimbursement - districts/ISDs	15,300,000
School Aid	School breakfast programs	11,900,000
School Aid	School bus inspections	1,780,800



## FY 2022 Estimated Payments to Locals - Executive Recommendation

Department Name	Appn Name	FY 2022 Exec Rec
School Aid	School lunch programs	23,838,400
School Aid	School readiness preschool education	281,800,000
School Aid	Skilled trades middle college program	8,000,000
School Aid	Special education foundations	329,900,000
School Aid	Special education headlee	733,000,000
School Aid	Special education hold harmless payments to ISDs	1,000,000
School Aid	Special education millage equalization	40,008,100
School Aid	Special education non-section 52 to ISDs	2,500,000
School Aid	Special education rule changes	2,200,000
School Aid	State assessments	29,509,400
School Aid	State technology data hubs	2,200,000
School Aid	Strict discipline academy pupil transfer	1,600,000
School Aid	Teen health centers	8,000,000
School Aid	Vision and hearing screening	5,150,000
School Aid	Vocational education	36,811,300
School Aid	Vocational education administration	800,000
School Aid	Weighted foundation - special education	61,407,000
School Aid	School Aid Fund one-time placeholder	260,000,000
<b>School Aid Subtotal</b>		<b>13,873,111,900</b>
<b>Grand Total</b>		<b>20,731,488,600</b>