



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN J. WALSH
DIRECTOR

November 14, 2018

The Honorable Dave Hildenbrand, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Laura Cox, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:


SUBJECT: Supplemental Request 2019-1

Attached please find supplemental recommendations for fiscal year 2019 for the departments of Agriculture and Rural Development, Attorney General, Environmental Quality, Health and Human Services, Licensing and Regulatory Affairs, Military and Veterans Affairs, Natural Resources, State, State Police, Talent and Economic Development, Technology, Management and Budget, Transportation, and Treasury.

The State Budget Office respectfully withdraws the Technology, Management and Budget supplemental recommendations of \$20 million for statewide broadband included in Supplemental Request 2018-3. The recommendation included \$13.6 million General Fund and \$6.4 million Michigan Infrastructure Fund resources that are re-stated in this fiscal year 2019 supplemental request.

If you have any questions regarding this request, please contact Kyle Jen at (517) 373-0870.

Sincerely,


John J. Walsh
State Budget Director

Attachment

cc: Arlan Meekhof, Senate Majority Leader
Tom Leonard, Speaker of the House
Jim Ananich, Senate Minority Leader
Sam Singh, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency

Departments
Dick Posthumus, Chief of Staff
Mike Zimmer, Cabinet Director
Kyle Jen, Deputy State Budget Director
Mike Moody, Office of Financial Management
Internal State Budget Office
House Fiscal Agency

Report ID: BUD-SUPLET-0047

SIGMA

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Supplemental Letter Detail

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Supplemental Letter # 2019-1

Agriculture and Rural Development

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		2.0
GROSS APPROPRIATION		400,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		400,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	400,000

DEPARTMENTAL ADMINISTRATION AND SUPPORT	Appn/Fund	
<i>Full-time equated classified positions</i>		1.0
Emergency management	41450	0
Executive direction-1 FTE position	11000	200,000
GROSS APPROPRIATION		200,000
Appropriated from:		
State general fund/general purpose	1000	200,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
<i>Full-time equated classified positions</i>		1.0
Emergency management-1 FTE position	T41450	200,000
GROSS APPROPRIATION		200,000
Appropriated from:		
State general fund/general purpose	1000	200,000

Explanation

This supplemental request provides \$400,000 General Fund to support a position to enhance Geographic Information Systems capabilities to evaluate food, animal and plant components of the agriculture sector impacted by environmental contaminants, including PFAS. The funding would also support a position to assist the MDARD emergency management coordinator in tracking agriculture related PFAS activities.

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Attorney General

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		1,078,800
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,078,800
Total federal revenues	FDRL	378,800
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	700,000
ATTORNEY GENERAL OPERATIONS		
		Appn/Fund
Enforcement and legal support-3 FTE positions	41905	700,000
Prosecuting attorneys coordinating council	60200	378,800
GROSS APPROPRIATION		1,078,800
Appropriated from:		
Federal funds	3000	250,000
National criminal history improvement program	3205	128,800
State general fund/general purpose	1000	700,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for Enforcement and Legal Support are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is investigation and enforcement regarding environmental contaminants, including perfluoroalkyl and polyfluoroalkyl substances.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$700,000.00.

(d) The tentative completion date is September 31, 2022.

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Explanation

This supplemental request for the Prosecuting Attorneys Coordinating Council supports the council's NextGen Case Management System project. This request is needed to fund software development, installation, and maintenance. This request reflects \$250,000 in Byrne grants and \$128,800 in National Criminal History Improvement Program grants for a total of \$378,800 in federal revenues.

This supplemental request also includes 3 FTEs to support the state's initiative regarding environmental contaminants, including Perfluoroalkyl and polyfluoroalkyl substances (PFAS). This funding is required for the following reasons:

- 2 FTE attorneys to provide legal services and manage any litigation against liable parties.
- 1 FTE paralegal to manage documents in anticipation of and during litigation.
- Contractual services to provide investigative skills, technical knowledge, and familiarity with environmental regulations.

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Environmental Quality

Appropriation Summary		Appn/Fund
<i>Full-time equated classified positions</i>		37.0
GROSS APPROPRIATION		51,700,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		51,700,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	37,000,000
State general fund/general purpose	GFGP	14,700,000

RENEWING MICHIGAN'S ENVIRONMENT		Appn/Fund
<i>Full-time equated classified positions</i>		30.0
Renew Michigan's environment-30 FTE positions	62120	37,000,000
GROSS APPROPRIATION		37,000,000
Appropriated from:		
Renew Michigan fund	1610	37,000,000

ONE-TIME APPROPRIATIONS		Appn/Fund
<i>Full-time equated classified positions</i>		7.0
Drinking water infrastructure-2 FTE positions	T58528	10,000,000
Mapping and other support-5 FTE positions	T58527	4,700,000
GROSS APPROPRIATION		14,700,000
Appropriated from:		
State general fund/general purpose	1000	14,700,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for the Renewing Michigan's Environment Initiative are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project to be carried forward is to provide contaminated site cleanup.
- (b) The project will be accomplished by contract.
- (c) The total estimated cost of the project is \$37,000,000.00.
- (d) The tentative completion date is September 30, 2023.

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Sec. xxx. The unexpended funds appropriated in part 1 for drinking water infrastructure and mapping and other support are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried forward is to support drinking water infrastructure.

(b) The project will be accomplished by contract.

(c) The total estimated cost of the project is \$14,700,000.00.

(d) The tentative completion date is September 30, 2023.

Sec. xxx. From the funds appropriated in part 1 for drinking water infrastructure, grants shall be awarded to drinking water systems for contaminant remediation efforts or connection to an alternate system. The level of funding provided for each grant shall be determined based on the population served by the system. A grant to an individual system shall not exceed \$2 million and shall include a 20 percent local match unless waived by the Water Asset Management Council based on affordability criteria established by the council.

Explanation

Senate Bill 943, sponsored by Senator Mike Nofs, will provide a sustainable funding source to address over 3,000 contaminated and abandoned sites while also investing in recycling and solid waste activities. The introduced bill is projected to generate \$74 million per year and this supplemental request would appropriate half a year of funding as the bill would be effective 90 days after passage. The supplemental also would cover up to \$15 million to address emerging contaminants like PFAS.

This supplemental is requesting \$14.7 million General Fund and 7 FTEs to address environmental contamination from perfluoroalkyl substances (PFAS) and other emerging contaminants. From the requested funds, \$10 million will be for remediation of drinking water infrastructure and \$4.7 million will be for mapping efforts to better understand the source of contaminants and extent of contamination.

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Health and Human Services

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		406.0
GROSS APPROPRIATION		99,963,900
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		99,963,900
Total federal revenues	FDRL	12,706,500
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	87,257,400

DEPARTMENTAL ADMINISTRATION AND SUPPORT	Appn/Fund	
Departmental administration and management	11510	0
GROSS APPROPRIATION		0
Appropriated from:		
Social security act, temporary assistance for needy families	3510	1,000,000
State general fund/general purpose	1000	(1,000,000)

CHILDREN'S SERVICES AGENCY - CHILD WELFARE	Appn/Fund	
<i>Full-time equated classified positions</i>		246.0
Adoption support services	30300	0
Child welfare field staff - caseload compliance-189 FTE positions	35400	14,684,300
Child welfare first line supervisors-38 FTE positions	35420	3,655,300
Children's trust fund	35700	300,000
Contractual services, supplies, and materials	37800	987,000
Foster care payments	45250	9,928,000
Peer coaches	58200	0
Second line supervisors and technical staff-19 FTE positions	63600	1,282,500
GROSS APPROPRIATION		30,837,100
Appropriated from:		
Social security act, temporary assistance for needy families	3510	3,523,200
State general fund/general purpose	1000	27,313,900

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PUBLIC ASSISTANCE	Appn/Fund	
Family independence program	42750	0
GROSS APPROPRIATION		0
Appropriated from:		
Social security act, temporary assistance for needy families	3510	(4,523,200)
State general fund/general purpose	1000	4,523,200
STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		68.0
Caro Regional Mental Health Center - psychiatric hospital - adult-68 FTE positions	33450	5,910,000
GROSS APPROPRIATION		5,910,000
Appropriated from:		
State general fund/general purpose	1000	5,910,000
LABORATORY SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		8.0
Expansion of laboratory capacity to support PFAS response activities-8 FTE positions	58524	1,905,000
GROSS APPROPRIATION		1,905,000
Appropriated from:		
State general fund/general purpose	1000	1,905,000
LOCAL HEALTH AND ADMINISTRATIVE SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		30.0
PFAS environmental health toxicology and response-30 FTE positions	58526	6,072,900
GROSS APPROPRIATION		6,072,900
Appropriated from:		
State general fund/general purpose	1000	6,072,900
MEDICAL SERVICES ADMINISTRATION	Appn/Fund	
<i>Full-time equated classified positions</i>		54.0
Healthy Michigan plan administration-54 FTE positions	47610	1,500,400
GROSS APPROPRIATION		1,500,400
Appropriated from:		
Federal funds	3000	750,200
State general fund/general purpose	1000	750,200

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INFORMATION TECHNOLOGY

Appn/Fund

Information technology services and projects

16020

607,400

GROSS APPROPRIATION

607,400

Appropriated from:

State general fund/general purpose

1000

607,400

ONE-TIME APPROPRIATIONS

Appn/Fund

Caro Regional Mental Health Center improvements

T33451

1,000,000

Children's protective services reforms

T35555

10,000,000

Healthy Michigan plan waiver implementation

T47605

13,515,700

Hepatitis A outbreak response

T47665

7,121,200

Pay for success contracts

T57950

2,200,000

PFAS and environmental contamination response

T58520

19,294,200

GROSS APPROPRIATION

53,131,100

Appropriated from:

Federal funds

3000

11,956,300

State general fund/general purpose

1000

41,174,800

Boilerplate

Sec. xxx. The funds appropriated in part 1 for children's protective services reforms shall be used to implement process and technology reforms as recommended by the children's protective services Operation Excellence Team. By September 30 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report describing the progress of implementing the reforms developed by the children's protective services Operation Excellence Team and detailing how these funds were expended.

Sec. xxx. From the funds appropriated in part 1 for the Caro regional mental health center, the department shall contract with a Michigan-based behavioral health services provider who has at least thirty years experience with professional behavioral health staff recruiting and human resource management to improve and maintain sufficient and appropriate staff to patient ratios and ensure the health, safety, and wellbeing of both staff and residents at the hospital. Contractual support shall include one full-time clinical director and an adequate number of psychiatrists and physician assistants to manage and deliver health services.

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Sec. xxx. (1) From the funds appropriated in part 1 for pay for success contracts, the department may issue payments to funding intermediaries or vendors involved in pay for success pilot projects that aim to identify and deliver services to improve outcomes and lower costs for government services in this state. Payments may only be issued to funding intermediaries and vendors that have achieved contractual performance measures and have achieved project savings that have been confirmed by a third-party evaluator, certified by the department, and approved by the state budget director.

(2) The unexpended funds appropriated in part 1 for pay for success contracts are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to coordinate cost-saving projects to the state with public-private partnerships.

(b) The projects will be carried out through contracts with private and not-for-profit vendors.

(c) The estimated cost of this work project is \$2,200,000.00.

(d) The estimated work project completion date is September 30, 2023.

Explanation

This supplemental is requesting initial funding to begin implementing reforms aimed at resolving the issues identified in the September 2018 Office of the Auditor General (OAG) performance audit on Children's Protective Services (CPS) investigations. The request includes \$21.2 million General Fund and 246.0 FTEs to hire additional CPS caseworkers and supervisors to decrease caseload ratios and increase staff capacity. The request also includes \$10 million general fund in startup costs to support information technology enhancements and other reforms being developed by the CPS Operation Excellence Team.

The supplemental includes \$5.9 million in ongoing General Fund to support 68 additional staff at Caro Regional Mental Health Center. The purpose of this adjustment is to address immediate clinical and direct care staff shortages at the facility. The supplemental also recommends \$1.0 million in one-time General Fund in FY 2019 to support any necessary physical improvements to worker or patient areas, the purchase of protective equipment for resident care aid staff, and a private analysis to identify the staff models that would allow DHHS to best recruit and retain clinical and direct care staff at rural facilities like Caro.

Supplemental funding is needed to fulfill obligations of the Pay for Success pilot project authorized in PA 84 of 2015, Article X, Section 1906. The Strong Beginnings Program will reach 1,700 at-risk families in Kent, Muskegon, and Berrien Counties with the goal of reducing preterm births and infant mortality. Payments are tied to the success of the pilot in achieving annual benchmarks as measured by an independent evaluation. The requested funding coupled with available work project authority will cover at least two years of payments. The State's obligation is capped at \$10 million through FY 2023.

Funds are requested to support growing need for capacity to address sites of water contamination by contaminants including PFAS. The request provides \$8.0 million General Fund for 38 additional FTEs allocated to environmental health and laboratory testing and support; \$9.9 million in one-time funding to support bottled water and filters distribution to communities where contamination is detected and \$9.4 million to support analytic tasks associated with contaminant exposure including analysis of water, fish and tissue, and wild game, and to work with Michigan residents exposed to contamination.

Funding supports anticipated one-time and ongoing costs associated with implementing a Healthy Michigan Plan (HMP) workforce engagement requirement, as set forth in Section 107b of PA 208 of 2018. One-time funding supports needed changes to DHHS Medicaid IT systems. Ongoing costs support additional case workers and project management staff needed to satisfy anticipated federal requirements for an approved HMP workforce engagement program.

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One-time funds are requested to support continued efforts to address the Hepatitis A outbreak in Michigan and to help minimize the risk of future outbreaks. The proposal includes \$1.8 million for additional vaccine supply, \$4.8 million in support to local public health departments to monitor the outbreak and administer vaccine to vulnerable populations, and \$574,400 to support outreach and central administrative tasks associated with the outbreak response.

The requested supplemental executes budget neutral TANF/General Fund fund swaps of \$4.5 million to move General Fund from the Departmental Administration and Management line and several Children's Services Agency lines to the Family Independence Program (FIP). The FIP line as enacted does not have sufficient General Fund to cover all "state funded" FIP cases under current policy.

This supplemental requests \$9.9 million General Fund to cover the county share of foster care maintenance payments to unlicensed relative caregivers of children who are court wards.

The supplemental requests \$300,000 General Fund authorization to support additional substance use disorder treatment through the Children's Trust Fund. Sec. 508(3) of PA 207 of 2018 allocated \$300,000 from the Children's Trust Fund cash reserve balance for this purpose; however, this balance was already obligated for expenditures related to other programming. This request fulfills legislative intent for this appropriation.

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Licensing and Regulatory Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		2,750,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		2,750,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	200,000
State general fund/general purpose	GFGP	2,550,000
GRANTS		
	Appn/Fund	
Michigan indigent defense commission grants	18106	2,750,000
GROSS APPROPRIATION		2,750,000
Appropriated from:		
Local indigent defense reimbursement	1546	200,000
State general fund/general purpose	1000	2,550,000

Explanation

This supplemental includes \$2.8 million (\$2.6 million General Fund and \$200,000 in Local Indigent Defense Reimbursements) in order to fully fund Michigan Indigent Defense Commission (MIDC) grants for 134 systems with approved compliance plans for minimum standards 1-4. This request for additional funding stems from MIDC action on October 16, 2018 that approved mediation settlements for the remaining systems whose plans had yet to be approved and increases the total Fiscal Year 2019 from an initial appropriation of \$84.1 million included in Public Act 2017 of 2018, Article XIII to a new total of \$86.9 million.

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Military and Veterans Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		700,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		700,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	700,000

MILITARY	Appn/Fund	
Michigan youth challeNGe academy	54500	700,000
GROSS APPROPRIATION		700,000
Appropriated from:		
DOD-DOA-NGB	3270	0
State general fund/general purpose	1000	700,000

Explanation

This supplemental request provides \$700,000 General Fund to an increase in state match requirement when the Michigan Job ChalleNGe Program shifted from a Department of Labor Grant to Department of Defense Grant. Due to this shift the program changed from 100% federally funded to requiring a 25% general fund state contribution.

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Natural Resources

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		37,328,100
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		37,328,100
Total federal revenues	FDRL	3,608,100
Total local revenues	LOCL	0
Total private revenues	PRIV	5,000,000
Total other state restricted revenues	STRS	9,220,000
State general fund/general purpose	GFGP	19,500,000
COMMUNICATION AND CUSTOMER SERVICES	Appn/Fund	
Marketing and outreach	52400	175,000
GROSS APPROPRIATION		175,000
Appropriated from:		
Federal funds	3000	175,000
PARKS AND RECREATION DIVISION	Appn/Fund	
State parks	65850	5,000,000
GROSS APPROPRIATION		5,000,000
Appropriated from:		
Park improvement fund	1125	2,000,000
State general fund/general purpose	1000	3,000,000
FOREST RESOURCES DIVISION	Appn/Fund	
Forest management and timber market development	45100	1,470,000
GROSS APPROPRIATION		1,470,000
Appropriated from:		
Forest development fund	1126	1,470,000
GRANTS	Appn/Fund	
Federal - land and water conservation fund payments	43250	3,433,100
GROSS APPROPRIATION		3,433,100
Appropriated from:		
Federal funds	3000	3,433,100

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RECREATIONAL LANDS AND INFRASTRUCTURE

Appn/Fund

Forest development infrastructure	C89580	1,750,000
Sargent Minerals Co. land acquisition, Mason County	C89710	9,000,000

GROSS APPROPRIATION

10,750,000

Appropriated from:

Private funds	5000	5,000,000
Forest development fund	1126	1,750,000
Land exchange facilitation and management fund	1315	800,000
Michigan state parks endowment fund	1130	3,200,000

ONE-TIME APPROPRIATIONS

Appn/Fund

Buffalo Reef	T32660	6,000,000
Invasive species prevention and control	T49850	2,000,000
Leland - Good Harbor Reef improvements	T51065	500,000
Michigan infrastructure fund	T48975	8,000,000

GROSS APPROPRIATION

16,500,000

Appropriated from:

State general fund/general purpose	1000	16,500,000
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Boilerplate

Sec. xxx. From the funds appropriated in part 1 for invasive species, \$2,000,000.00 shall be provided for the design, research, development, and testing of solutions to prevent invasive carp from entering the Great Lakes. This project will be accomplished by utilizing state resources, contracts, and/or grants.

Sec. xxx. The unexpended funds appropriated in part 1 for Buffalo Reef are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984, PA 431, MCL 18.1451a:

- (a) The purpose of the project to be carried forward is to protect the Buffalo Reef.
- (b) The project will be accomplished by utilizing state resources, contracts, and/or grants.
- (c) The total estimated cost of the project is \$6,000,000.00.
- (d) The tentative completion date is September 30, 2023.

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Sec. xxx. The unexpended funds appropriated in part 1 for Leland/Good Harbor reef improvements are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the project has been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984, PA 431, MCL 18.1451a:

- (a) The purpose of the project is to improve the spawning reef in Leland/Good Harbor.
- (b) The project will be accomplished by utilizing state resources, grants, and/or contracts.
- (c) The total estimated cost of the project is \$500,000.00.
- (d) The tentative completion date is September 30, 2023.

Sec. xxx. From the funds appropriated in part 1, \$8,000,000.00 from the general fund/general purpose revenue shall be deposited into the Michigan infrastructure fund created under the management and budget act, 1984 PA 431, MCL 18.1360 for the fiscal year ending September 30, 2019.

Explanation

This supplemental is needed to align federal spending authority for the Hunter Education Program with forecasted revenue from existing federal funding sources. A federal grant was recently awarded to support education and outreach efforts by focusing on increasing awareness of hunting and shooting opportunities, teaching higher-level hunting and shooting skills, and encouraging repeat hunting and recreational shooting activity. Increased federal spending authorization is needed to accommodate the federal grant award (\$525,000 over three years, or \$175,000 per year) beginning in FY 2019.

This supplemental will provide \$2 million park improvement fund for preventive maintenance projects at state park facilities and replacement of aging equipment. Projects will focus on smaller-scale improvements needed to extend the usability of aging infrastructure, prevent major breakdowns, conserve energy, and provide an assortment of up-to-date lodging options for state park guests. Equipment replacements will focus on lawn mowers, tractors, and other maintenance and operations equipment to ensure that state parks are maintained in an efficient and effective manner. Sufficient revenue is available to support the additional Park Improvement Fund spending authority due to increased camping revenue.

This request will provide forest development fund for the replacement of aging specialized reforestation equipment (skidder, trencher, and herbicide sprayer), northern hardwood and lowland conifer regeneration research, and herbicide treatments (\$770,000); to contract with a third-party to review yearly timber harvest objectives provided in the DNR's Regional State Forest Management Plans, as required every five years under 2018 PA 238, MCL 324.52503 (\$500,000); and to complete Hemlock Woolly Adelgid (HWA) treatments per the Statewide HWA Strategy Plan to help contain this invasive species and protect the state's 170 million hemlock trees (\$200,000). Sufficient revenue is available to support the additional Forest Development Fund spending authority due to increased timber sale revenue.

This capital outlay supplemental of \$1.75 million in state restricted funding for the forest development infrastructure line-item would fund the replacement of seven bridges on state forest roads in the Upper Peninsula that are currently in a state of disrepair. These bridges provide access to rural forest areas for timber harvest, fire suppression, emergency services, habitat management, mining, local traffic, and public outdoor recreation. Funding is available in the Forest Development Fund due to increased timber sales.

This supplemental will provide \$3.4 million to align federal spending authority for Land and Water Conservation Fund (LWCF) grants with forecasted revenue from existing federal funding sources. Michigan's available federal LWCF revenue has increased due to various factors, including higher annual apportionments, additional funds from the Gulf of Mexico Energy Security Act (GOMESA), and successful competitive grant applications.

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This supplemental request will provide \$3 million to fill approximately 29 positions at state parks in the western Upper Peninsula (UP). Filling these positions would meet needs for dedicated trail development and maintenance staff in the Porcupine Mountains and the western UP, as well as an UP-based construction center for parks amenities (tables, cabins, roof segments, etc.) for the northern half of the state.

In March 2018, the Great Lakes Invasive Carp Challenge received 10 novel ideas to consider for preventing the movement of invasive carp into Lake Michigan while allowing for the continued movement of barge traffic. Investing \$2 million General Fund would allow the DNR to advance the projects forward. Additionally, the U.S. Fish and Wildlife Service and the U.S. Environmental Protection Agency, as co-chairs of the Asian Carp Regional Coordinating Committee, have expressed a strong desire to have Michigan submit a template for Great Lakes Restoration Initiative funding to help further this technology. This state investment would incentivize further investment by the federal agencies.

This supplemental deposits \$8 million General Fund in the Michigan Infrastructure Fund to support a future appropriation the operations and maintenance of an improved barrier system at the Brandon Road Lock and Dam pursuant to the FY 2019 budget agreement. The Great Lakes Basin Partnership to Block Asian Carp was created to commit strategic and financial resources to support the U.S. Army Corps of Engineers' (USACE) Tentatively Selected Plan (TSP) to stop the advance of invasive carp toward the Great Lakes at the Brandon Road Lock and Dam in Joliet, Illinois. A \$275 million invasive carp barrier improvement project, funded primarily by the federal government, is set to begin in 2022, with the system becoming operational by 2025. Michigan has pledged to provide \$8 million toward the nonfederal share of funding to operate and maintain the improved system.

The department is working through a multi-phase approach to acquire approximately 260 acres of land from the Sargent Minerals Company that is within the Ludington State Park. This \$9 million capital outlay request for state restricted and private funding is in addition to the \$12.5 million in Michigan Natural Resources Trust Fund that was appropriated in Public Act 165 of 2018. In total, \$21.5 million will support the acquisition of the full 260 acres.

This multi-phase approach is necessary to allow the department to purchase 100 acres in December 2018, with the remaining 160 acres scheduled for purchase in 2021.

This supplemental requests \$6 million to dredge stamp sands from Lake Superior to protect the Buffalo Reef; work with the US Army Corps of Engineers to analyze physical, chemical, and ecological characteristics of mine waste; evaluate how fish use Buffalo Reef; and develop a long-term management plan.

This supplemental request includes \$500,000 General Fund to improve the spawning success of whitefish and other native species through improvements to reefs in Leland and Good Harbor Bay. Actions include adding substrate to the reefs and removing aquatic invasive species to improve spawning habitat for whitefish, cisco, and lake trout.

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State

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		400,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		400,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	400,000
State general fund/general purpose	GFGP	0

CUSTOMER DELIVERY SERVICES	Appn/Fund	
Motorcycle safety education administration	54950	400,000
GROSS APPROPRIATION		400,000
Appropriated from:		
Motorcycle safety and education awareness fund	1544	400,000

Explanation

This supplemental requests an increase of \$400,000 in restricted authorization created in PA 115 of 2017 in the Motorcycle Safety Education Administration program. These resources will be utilized to create and maintain a "Look Twice Save a Life" program. The department is requesting approval by December 31, 2018 before the fiscal year 2019 motorcycle season.

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State Police

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		10,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		10,000,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	10,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Disaster and emergency contingency fund	T39700	10,000,000
Sexual assault prevention and education initiative	T64080	(1,000,000)
Sexual assault prevention and education initiative	T64080	1,000,000
GROSS APPROPRIATION		10,000,000
Appropriated from:		
State general fund/general purpose	1000	10,000,000

Boilerplate

Sec. xxx. (1) Funding provided in part 1 for sexual assault prevention and education initiative shall be used to provide and administer grants to public or nonpublic community colleges, colleges, high schools, and universities with a physical presence in this state to address campus sexual assault issues to improve the safety and security of students, faculty, and staff in campus environments in this state.

(2) Grant funds awarded shall support sexual assault programs, including education, awareness, prevention, reporting, bystander intervention programs, peer advocacy groups, and student organizations dedicated to campus sexual assault prevention and other actions covered by title IX protections.

(3) The department shall issue awards no later than December 1, 2018, with a grant period of 1 year.

(4) The department shall report on grant activities to the subcommittees, the senate and house appropriations subcommittees on higher education, and the state budget office by February 28, 2020.

(5) The unexpended funds appropriated in part 1 for sexual assault prevention and education initiative are designated as work project appropriations. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be eligible for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

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(a) The purpose of the project is to provide grants for sexual assault education, awareness, prevention, reporting, bystander intervention programs, peer advocacy groups, and student organizations dedicated to campus sexual assault prevention and other actions covered by title IX protections. The student organizations may be provided funds to support and develop advocacy groups and act on issues related to prevention of sexual assault, including, but not limited to, student outreach, supporting survivors of sexual assault, and advocating for campus improvements such as additional lighting.

(b) The project will be accomplished by grants to eligible community colleges, colleges, high schools, and universities.

(c) The total estimated cost of the project is \$1,000,000.00.

(d) The estimated completion date is September 30, 2020.

REPEALER

Enacting Section 1. Section 901 of article XVI of PA 207 of 2018 is repealed.

Explanation

This supplemental request provides a \$10,000,000 General Fund deposit into the Disaster and Emergency Contingency Fund to support immediate response and recovery activities and financial assistance to local units of government in the event of a disaster or emergency. As a result of upper peninsula flooding in June, \$7.4 million from the fund was committed to meeting local match requirements necessary to access federal disaster assistance funding from the Federal Emergency Management Agency.

This request amends boilerplate (section 901) to include high schools as eligible grant recipients under the Sexual Assault Prevention and Education Initiative.

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Talent and Economic Development

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		2,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		2,000,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	2,000,000

TALENT INVESTMENT AGENCY	Appn/Fund	
Workforce development programs	26040	2,000,000
GROSS APPROPRIATION		2,000,000
Appropriated from:		
State general fund/general purpose	1000	2,000,000

Boilerplate

Sec. xxx. From the funds appropriated in part 1, \$2 million general fund appropriated to workforce development programs shall be used to support the program gaining early awareness and readiness for undergraduate programs (GEAR UP) and shall be expended in a manner consistent with previous GEAR UP appropriations.

Explanation

This supplemental request appropriates \$2 million General Fund to Workforce Development Programs to support the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). This is a reappropriation of \$2 million General Fund to be lapsed from an AY17 work project for Community Ventures, thereby using TED's existing appropriations to support this supplemental need. GEAR UP is a college-access program that operates over a seven-year project period. GEAR UP supports activities that create college awareness with the goal of increasing the enrollment of low-income students in post-secondary education. Michigan has previously received GEAR UP funding for 3 grant cycles each for 7-year projects. In October, TED was notified that its application missed the federal award cut-off for GEAR UP by one point. This funding would allow GEAR UP to continue in FY19 until a new grant solicitation is issued and TED can reapply (expected in June/July 2019 for a grant period of 2020-2027).

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Technology, Management and Budget

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		22,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		22,000,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	8,080,000
State general fund/general purpose	GFGP	13,920,000
DEPARTMENTAL ADMINISTRATION AND SUPPORT	Appn/Fund	
Budget and financial management	11400	2,000,000
GROSS APPROPRIATION		2,000,000
Appropriated from:		
State restricted indirect funds	1500	1,700,000
State general fund/general purpose	1000	300,000
TECHNOLOGY SERVICES	Appn/Fund	
Michigan public safety communications system	15500	(40,404,100)
Michigan public safety communications system	15500	40,404,100
GROSS APPROPRIATION		0
Appropriated from:		
MPSCS subscriber and maintenance fees	4201	0
State general fund/general purpose	1000	0
SPECIAL PROGRAMS	Appn/Fund	
Regional prosperity grants	61900	(4,000,000)
Regional prosperity grants	61900	4,000,000
GROSS APPROPRIATION		0
Appropriated from:		
State general fund/general purpose	1000	0

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ONE-TIME APPROPRIATIONS

Appn/Fund

Statewide broadband	T62620	20,000,000
GROSS APPROPRIATION		20,000,000
Appropriated from:		
Michigan infrastructure fund	1581	6,380,000
State general fund/general purpose	1000	13,620,000

Boilerplate

Sec. xxx. (1) The funds appropriated in part 1 for the regional prosperity initiative are to be used as competitive grants to eligible regional planning organizations qualifying for funding as a regional prosperity collaborative, a regional prosperity council, or a regional prosperity board. A regional planning organization may not qualify for funding under more than 1 category in the same state fiscal year. As used in this section:

(a) "Eligible regional planning organization" means any of the following:

(i) An existing regional planning commission created pursuant to 1945 PA 281, MCL 125.11 to 125.25.

(ii) An existing regional economic development commission created pursuant to 1966 PA 46, MCL 125.1231 to 125.1237.

(iii) An existing metropolitan area council formed pursuant to the metropolitan councils act, 1989 PA 292, MCL 124.651 to 124.729.

(iv) A Michigan metropolitan planning organization established pursuant to the moving ahead for progress in the 21st century act, Public Law 112-141.

(b) "Freedom of Information Act" means the freedom of information act, 5 USC 552.

(c) "Open meetings act" means the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(d) "Regional prosperity board" means a regional body that has a singular governing board with representation from private, public, and nonprofit entities engaged in joint decision-making practices for the purpose of creating or maintaining a phase three: regional prosperity plan.

(e) "Regional prosperity collaborative" means any committee developed by a regional planning organization or a metropolitan planning organization that serves to bring organizational representation together from private, public, and nonprofit entities within a region for the purpose of creating or maintaining a phase one: regional prosperity plan.

(f) "Regional prosperity council" means a regional body with representation from private, public, and nonprofit entities with shared administrative services and an executive governing entity, as demonstrated by a formal local agreement or agreements for the purpose of creating or maintaining a phase two: regional prosperity plan.

(2) Regional planning organizations may qualify to receive not more than \$245,000.00 of incentive-based funding as a regional prosperity collaborative subject to meeting all of the following requirements:

(a) The regional prosperity collaborative has created a phase one: regional prosperity plan, as follows:

(i) The regional prosperity collaborative must include regional representatives from adult education, workforce development, community development, economic development, transportation, and higher education organizations.

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(ii) The plan is required, at a minimum, to include a 5-year plan focused on economic growth and vitality for the region, as well as a performance dashboard and measurable annual goals to support the 5-year plan.

(iii) The 5-year plan shall address regional strategies related to adult education, workforce development, economic development, transportation, higher education, and business development.

(iv) The regional prosperity collaborative shall adopt the plan by a minimum 2/3 majority vote of its members.

(b) The regional prosperity collaborative adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(c) The regional prosperity collaborative convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(d) The regional prosperity collaborative makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(e) The regional prosperity collaborative keeps a status report detailing the spending associated with previous regional prosperity initiative grants. Organizations that have successfully received grant awards in previous fiscal years shall be required to make available to the department and on a publicly accessible Internet site information regarding the use of those grant dollars.

(3) Regional planning organizations eligible to receive a payment as a regional prosperity collaborative under subsection (2) may qualify to receive a one-time grant of not more than \$70,000.00 to produce a plan to transform the regional prosperity collaborative into a regional prosperity council or regional prosperity board, including necessary local formal agreements, to make recommendations that eliminate duplicative efforts and administrative functions, and to leverage resources through cooperation, collaboration, and consolidations of organizations or programs throughout the region. Plans produced to transform the regional prosperity collaborative into a regional prosperity council or regional prosperity board shall be made available on the grant recipient's publicly accessible internet site. The regional prosperity collaborative may apply instead to use up to \$70,000 of the one-time grant for integrated asset management under guidance from the Michigan Infrastructure Council in the Michigan Department of Treasury. The regional prosperity collaborative may not apply for funds under both the transformation grant and the integrated asset management grant.

(4) Regional planning organizations may qualify to receive not more than \$340,000.00 of incentive-based funding as a regional prosperity council subject to meeting all of the following requirements:

(a) A regional prosperity council has been formed and includes regional representatives from adult education, workforce development, community development, economic development, transportation, and higher education organizations.

(b) An eligible regional prosperity council will demonstrate shared administrative services between 2 public regional entities included in subdivision (a). In addition, the council must have and maintain an executive governing entity, as demonstrated by a formal local agreement or agreements.

(c) The regional prosperity council has created a phase two: regional prosperity plan, as follows:

(i) The regional prosperity council shall identify opportunities for shared administrative services and decision-making among the private, public, and nonprofit entities within the region and shall continue collaboration with regional prosperity council members, including, but not limited to, representatives from adult education providers, workforce development agencies, community development agencies, economic development agencies, transportation service providers, and higher education institutions.

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(ii) The plan is required to include, but is not limited to, all of the following:

(A) A status report of the approved 5-year plan.

(B) The addition of a 10-year plan for the region which builds upon prior work and is focused on economic growth and vitality in the region.

(C) A prioritized list of regional projects.

(D) A performance dashboard with measurable annual goals.

(iii) The regional prosperity council shall adopt the plan by a minimum 2/3 vote of its members.

(d) The regional prosperity council adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(e) The regional prosperity council convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(f) The regional prosperity council makes available on the grant recipient's publicly accessible internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(g) The regional prosperity council keeps a status report detailing the spending associated with previous regional prosperity initiative grants. Organizations that have successfully received grant awards in previous fiscal years shall be required to make available to the MDTMB and on a publicly accessible internet site information regarding the use of those grant dollars.

(5) Regional planning organizations eligible to receive a payment as a regional prosperity council under subsection (4) may qualify to receive a one-time grant of not more than \$70,000.00 to produce a plan to transform the regional prosperity council into a regional prosperity board, including a singular private/public governance structure that comports with federal guidelines for governance under the workforce investment act, Public Law 105-220, the moving ahead for progress in the 21st century act, Public Law 112-141, the economic development administration and Appalachian regional development reform act of 1998, Public Law 105-393, and recommendations to eliminate duplicative efforts, administrative functions, and leverage resources through cooperation, collaboration, and consolidations of organizations or programs throughout the region. The regional prosperity council may apply instead to use up to \$70,000.00 of the 1-time grant for integrated asset management under guidance from the Michigan Infrastructure Council in the Michigan Department of Treasury. The regional prosperity council may not apply for funds under both the transformation grant and the integrated asset management grant.

(6) Regional planning organizations may qualify to receive not more than \$445,000.00 of incentive-based funding as a regional prosperity board subject to meeting all of the following requirements:

(a) The regional prosperity board has been formed and, at a minimum, must demonstrate the consolidation of a regional metropolitan planning organization, where one exists, state designated regional planning agency boards, workforce development boards, and federally designated regional economic development districts within a region.

(b) The regional prosperity board has created a phase three: regional prosperity plan, as follows:

(i) The regional prosperity board shall create a regional services recommendations report prioritizing the list of state-funded services and programs provided to the region, and recommendations for state-regional partnerships to support the adopted regional prosperity plan.

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- (ii) The plan is required to include a status report of the approved 10-year plan for the creation of an updated regional prosperity plan.
- (iii) The regional prosperity board shall adopt the plan by a minimum 2/3 vote of its members.
- (c) The regional prosperity board adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.
- (d) The regional prosperity board convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.
- (e) The regional prosperity board makes available on the grant recipient's publicly accessible internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard. The regional prosperity board may apply instead to use up to \$70,000.00 of the one-time grant for integrated asset management under guidance from the Michigan Infrastructure Council in the Michigan Department of Treasury. The regional prosperity board may not apply for funds under both the transformation grant and the integrated asset management grant.
- (7) Regional planning organizations eligible to receive a payment as a regional prosperity board under subsection (6) may qualify to receive not more than \$125,000.00, to implement the prioritized regional prosperity plan projects.
- (8) Regional planning organizations eligible to receive a payment as a regional prosperity collaborative, board, or council may partner with other eligible regional planning organizations to submit joint applications. In the instance of a joint application, 1 regional planning organization shall be utilized as the overall applicant. The MDTMB may award a joint application award of no greater than the sum of potential application dollars which would have otherwise been available through individual applications.
- (9) The MDTMB shall develop an application process and method of grant distribution for the regional prosperity initiative. Funding applications from regional planning organizations shall be due to the department by November 26, 2018. The department shall notify regional planning organizations of grant application status by December 31, 2018. The department shall ensure that processes are established to verify that qualifying regional planning organizations meet the requirements under subsections (2), (3), (4), (5), (6), and (7), as applicable.
- (10) The unexpended funds appropriated in part 1 for the regional prosperity initiative are designated as work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:
- (a) The purpose of the projects is to provide incentive-based grants to recipients under this section.
- (b) The projects will be accomplished by grants to qualified regional planning organizations.
- (c) The total estimated cost of all projects is \$3,970,000.00.
- (d) The estimated completion date is September 30, 2023.
- (11) The department may dedicate 0.3 FTEs with \$30,000.00 to manage the evaluation of regional prosperity initiative, departmental implementation of the regional prosperity initiative and grant management.

Sec. xxx. There is appropriated from general fund/general purpose revenue, for the fiscal year ending September 30, 2019, beyond any amounts previously deposited, the sum of \$160,000,000.00 for deposit into the countercyclical budget and economic stabilization fund created in section 351 of the management and budget act, 1984 PA 431, MCL 18.1351.

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REPEALER

Enacting Section 1. Sections 822f and 827 of article VIII of 2018 Public Act 207 are repealed.

Explanation

Pursuant to the FY 2019 budget agreement, the supplemental includes \$20 million to support a statewide broadband initiative to expand broadband access for Michigan citizens and businesses. Michigan currently ranks 30th in the nation for broadband availability. More than 350,000 households in primarily rural areas do not have access to vital high-speed internet service, while another two million households only have access to a single, terrestrial internet service provider. These funds will be used to expand broadband access to unserved areas, increase digital literacy and adoption, and provide supports that advance the long-term investment of the technology.

A total of \$300,000 General Fund is recommended in the Budget and Financial Management line item for the Office of Performance and Transformation to support the new multi-agency Michigan Team to End Drug Addiction (MITEDA). On October 25, 2018, acting Governor Calley issued Executive Directive 2018-6 establishing MITEDA as the new coordinating body for the state's opioid response, with representatives from the departments of Corrections, Education, Environmental Quality, Health and Human Services, Insurance and Financial Services, Licensing and Regulatory Affairs, Military and Veteran Affairs, State Police, and Talent and Economic Development. MITEDA is to direct implementation of the state's opioid action strategy, including research and the development of policy initiatives, as well as the monitoring and evaluation of their efficacy in quelling the opioid epidemic in Michigan.

Also recommended is \$1.7 million in state restricted funds in the Budget and Financial Management line item related to the recovery of the federal share of capitalized costs through the Statewide Cost Allocation Plan (SWCAP) for the Statewide Integrated Governmental Management Applications (SIGMA) system. The funds will support SIGMA operations and help to leverage the implementation of next generation technologies and data management tools that will enhance the performance of the system for all users.

The supplemental recommendation also corrects a typographical error in Section 822f, Article VIII, Public Act 207 of 2018 relative to regional prosperity grants. The grant amount in subsection (2) of Section 822f in the enacted bill should be stated as \$245,000, not the \$45,000 included in the enacted bill. This amount is tied to the component of the regional prosperity grant program that is eligible to qualifying regional planning organizations applying for funds as a regional prosperity collaborative. A positive/negative appropriation for regional prosperity grants in the same amount as authorized in the enacted bill is included in Part 1 to effectuate the language correction.

In addition, the recommendation restores language for the Michigan Public Safety Communications System (MPSCS) that allows for carryforward at year end of any access and maintenance fees collected from subscribers for re-investment in the support and maintenance of the system. A positive/negative appropriation for the MPSCS in the same amount as authorized in the enacted bill is included in Part 1 to effectuate the language amendment. Absent this amendment, the funds will lapse to the General Fund and no longer be available to support this program. A similar restoration is also included in the fiscal year 2018 supplemental recommendation.

Finally, the supplemental recommends a deposit of \$160 million into the Budget Stabilization Fund, increasing the total in the fund to \$1.2 billion at the end of fiscal year 2019. The \$1.2 billion total equates to approximately 5 percent of combined General Fund and School Aid Fund revenues.

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Transportation

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		239,490,900
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		239,490,900
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	183,000,000
State general fund/general purpose	GFGP	56,490,900
ROAD AND BRIDGE PROGRAMS		Appn/Fund
Cities and villages	35850	40,000,000
County road commissions	38400	71,500,000
State trunkline federal aid and road and bridge construction	C82320	71,500,000
GROSS APPROPRIATION		183,000,000
Appropriated from:		
Michigan transportation fund	1119	183,000,000
ONE-TIME APPROPRIATIONS		Appn/Fund
Mackinac Straits infrastructure projects	T52170	4,490,900
Soo Locks expansion	TC87700	52,000,000
GROSS APPROPRIATION		56,490,900
Appropriated from:		
State general fund/general purpose	1000	56,490,900

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Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for Mackinac Straits infrastructure projects are considered work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects are to enhance public infrastructure and protect freshwater resources in the Mackinac Straits region.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the projects is \$4,490,900.00.
- (d) The tentative completion date of the projects is September 30, 2023.

Explanation

This supplemental request adjusts FY 2019 Michigan Transportation Fund (MTF) support for state and local road and bridge construction to reflect the statutory redirection of additional income tax revenues to the MTF. Amendatory legislation to the Income Tax Act is required to facilitate the deposit to the MTF, which will reflect an amount equivalent to estimated online sales tax collections pursuant to the June 21, 2018 decision of the U.S. Supreme Court in *South Dakota v. Wayfair*. The MTF is recommended for distribution through the bottom of the Public Act 51 of 1951 formula (section 10[1][I]), MCL 247.660. The deposit to the MTF will be reduced by the amount constitutionally dedicated to revenue sharing. An increase of \$20 million in revenue sharing payments to cities, villages, and townships is projected based on increased revenues from online sales tax collections.

Pursuant to the FY 2019 budget agreement, this supplemental recommendation provides for Michigan's anticipated \$52M contribution towards the federally-authorized capacity enhancement project at the Soo Locks in Sault Ste. Marie. The project seeks to add a second large capacity lock intended to provide redundancy for the Poe lock (currently the only other large, 1,000-foot capacity lock at the Soo). This project received \$922.4 million of federal authorization in Sec. 1401 of the America's Water Infrastructure Act of 2018. The next step is for Congress to specifically appropriate funds to the U.S. Army Corps of Engineers for the project.

This supplemental recommendation also includes \$4.5 million to support infrastructure and environmental threat mitigation projects at the Straits of Mackinac. These projects are to be completed by contracted entities, as well as state agencies through memorandum of understanding agreements. Project activities include radar current mapping, as well as planning, oversight, and legal services related to the proposed Mackinac Straits utility tunnel project.

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Treasury

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		1,500,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,500,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	1,500,000

GRANTS		Appn/Fund
Wrongful imprisonment compensation fund	70030	1,500,000
GROSS APPROPRIATION		1,500,000
Appropriated from:		
State general fund/general purpose	1000	1,500,000

Explanation

This supplemental request of \$1.5 million General Fund/General Purpose provides funding for the Wrongful Imprisonment Compensation Fund appropriation to allow Treasury to make payments in accordance with the Wrongful Imprisonment Compensation Act, PA 343 of 2016. This funding is needed to provide for \$500,000 in payments already approved and \$1 million in annual estimated costs of this program. One-time work project resources for this purpose have been exhausted.