



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

CHRIS KOLB
DIRECTOR

February 6, 2020

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

The Honorable Shane Hernandez, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2020-1

Attached please find supplemental recommendations for fiscal year 2020 for the departments of Attorney General; Education; Environment, Great Lakes, and Energy; Health and Human Services; Military and Veterans Affairs; Natural Resources; State; State Police; Technology, Management and Budget; and Treasury.

If you have any questions regarding this request, please contact Kyle Jen at (517) 335-3420.

Sincerely,

Chris Kolb
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
Lee Chatfield, Speaker of the House
Jim Ananich, Senate Minority Leader
Christine Greig, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency

Departments
JoAnne Huls, Chief of Staff
Jay Rising, Cabinet Secretary
Kyle Jen, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office
House Fiscal Agency

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/4/2020

Supplemental Letter Detail

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Supplemental Letter # 2020-1

Attorney General

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		404,400
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		404,400
Total federal revenues	FDRL	404,400
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0

ATTORNEY GENERAL OPERATIONS	Appn/Fund	
Department of attorney general	31570	275,600
Prosecuting attorneys coordinating council personnel	60200	128,800
GROSS APPROPRIATION		404,400
Appropriated from:		
Federal funds	3000	275,600
National criminal history improvement program	3205	128,800

Boilerplate

Sec. xxx. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$1,000,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of court judgments, settlements, arbitration awards or other administrative and litigation decisions, attorney fees, and litigation costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year may be carried forward for expenditure in the following year, up to a maximum authorization of \$250,000.00.

Explanation

This supplemental request seeks \$275,600 in federal authorization for post-conviction DNA testing to support conviction integrity through the review of new evidence associated with post-conviction claims of innocence.

Additionally, this request seeks \$128,800 in federal authorization to support the continued development of the Next Gen Prosecutor Case Tracking System utilized by the Prosecuting Attorneys Coordinating Council.

This supplemental request also restores boilerplate Section 308, which appropriates up to \$1 million from litigation expense reimbursements to pay legal costs of the Governor or the Attorney General when acting in an official capacity as the named party in litigation against the state.

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Education

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		112,800
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		112,800
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	112,800
State general fund/general purpose	GFGP	0

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	Appn/Fund	
Michigan schools for the deaf and blind operations	54260	112,800
GROSS APPROPRIATION		112,800
Appropriated from:		
Student insurance revenue	1451	112,800

Explanation

This supplemental requests \$112,800 in state restricted authorization for the Michigan Schools for the Deaf and Blind Operations line to align authorization with anticipated revenues. The increased authorization will allow the Michigan School for the Deaf and Blind to utilize all Medicaid funds available for audiology, nursing, physical therapy, occupational therapy, speech therapy, and counseling services provided to students attending the school.

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Environment, Great Lakes, and Energy

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		5,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		5,000,000
Total federal revenues	FDRL	3,000,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	2,000,000
State general fund/general purpose	GFGP	0

REMEDIATION AND REDEVELOPMENT DIVISION	Appn/Fund	
Environmental cleanup support	42060	2,000,000
Superfund cleanup	66550	3,000,000
GROSS APPROPRIATION		5,000,000
Appropriated from:		
Federal funds	3000	3,000,000
Environmental response fund	2536	2,000,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for superfund cleanup are designated as a work project appropriation, 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 to provide contaminated site cleanup.
- (b) The project will be accomplished by utilizing contracts with service providers.
- (c) The total estimated cost of the project is \$4,000,000.00.
- (d) The tentative completion date is September 30, 2023.

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Sec. xxx. The unexpended funds appropriated in part 1 for environmental cleanup support are designated as a work project appropriation, 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 to provide contaminated site cleanup.
- (b) The project will be accomplished by utilizing contracts with service providers.
- (c) The total estimated cost of the project is \$2,000,000.00.
- (d) The tentative completion date is September 30, 2022.

Explanation

This supplemental provides additional federal authorization for cleanup at the Spartan Chemical site and for other cleanup projects. This funding will support remediation for soil, soil vapor, and groundwater contaminants.

This supplemental also provides additional authorization for remediation at the Michelin-Uniroyal site, a large site on the Detroit River across from Belle Isle where numerous heavy manufacturing activities have occurred. The soil and groundwater are heavily contaminated and response actions for this site are required to facilitate redevelopment. Revenue is available from a legal settlement with Michelin-Uniroyal.

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Health and Human Services

Appropriation Summary		Appn/Fund
<i>Full-time equated classified positions</i>		121.0
GROSS APPROPRIATION		515,144,100
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		515,144,100
Total federal revenues	FDRL	301,684,500
Total local revenues	LOCL	14,235,000
Total private revenues	PRIV	33,737,300
Total other state restricted revenues	STRS	31,973,400
State general fund/general purpose	GFGP	133,513,900

DEPARTMENTAL ADMINISTRATION AND SUPPORT

		Appn/Fund
Administrative hearings officers	12020	(1,600,000)
Departmental administration and management	11510	(10,682,300)
Worker's compensation	14000	300,000
GROSS APPROPRIATION		(11,982,300)
Appropriated from:		
Federal funds	3000	(10,532,300)
Social security act, temporary assistance for needy families	3510	150,000
State general fund/general purpose	1000	(1,600,000)

CHILD SUPPORT ENFORCEMENT

		Appn/Fund
<i>Full-time equated classified positions</i>		8.0
Child support enforcement operations-8 FTE positions	34360	17,600
GROSS APPROPRIATION		17,600
Appropriated from:		
Federal funds	3000	737,600
State general fund/general purpose	1000	(720,000)

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CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Appn/Fund

Adoption subsidies	30310	1,890,700
Child care fund	34150	20,060,900
Child protection	34300	250,000
Child welfare institute	35430	(100,000)
Child welfare licensing	35470	(100,000)
Contractual services, supplies, and materials	37800	(600,000)
Family preservation programs	42850	15,818,900
Foster care payments	45250	13,747,500
Guardianship assistance program	46600	(173,600)
Performance based funding implementation	58250	(100,000)
Prosecuting attorney contracts	60210	3,263,900
GROSS APPROPRIATION		53,958,300

Appropriated from:

Capped federal revenues	3213	19,006,100
Federal funds	3000	5,678,200
Social security act, temporary assistance for needy families	3510	(13,084,700)
County chargeback	4209	4,410,800
Collections	5204	(562,700)
State general fund/general purpose	1000	38,510,600

PUBLIC ASSISTANCE

Appn/Fund

Family independence program	42750	(1,334,700)
Food assistance program benefits	44800	(92,868,000)
State disability assistance payments	65650	174,400
State supplementation	65950	(1,345,600)
GROSS APPROPRIATION		(95,373,900)

Appropriated from:

Federal funds	3000	(92,868,000)
Social security act, temporary assistance for needy families	3510	1,547,400
Child support collections	1228	(946,000)
Supplemental security income recoveries	1452	(1,185,300)
State general fund/general purpose	1000	(1,922,000)

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FIELD OPERATIONS AND SUPPORT SERVICES	Appn/Fund	
Electronic benefit transfer (EBT)	41050	(500,000)
Food assistance reinvestment	44802	10,466,000
GROSS APPROPRIATION		9,966,000
Appropriated from:		
State general fund/general purpose	1000	9,966,000
DISABILITY DETERMINATION SERVICES	Appn/Fund	
Disability determination operations	39650	(500,000)
GROSS APPROPRIATION		(500,000)
Appropriated from:		
State general fund/general purpose	1000	(500,000)
BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	Appn/Fund	
<i>Full-time equated classified positions</i>		<i>16.0</i>
Behavioral health program administration-16 FTE positions	32050	6,622,500
Family support subsidy	42950A	312,700
GROSS APPROPRIATION		6,935,200
Appropriated from:		
Federal funds	3000	4,689,000
Social security act, temporary assistance for needy families	3510	312,700
State general fund/general purpose	1000	1,933,500
BEHAVIORAL HEALTH SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		<i>1.0</i>
Autism services	31650	12,198,800
Community substance use disorder prevention, education, and treatment	36400	78,700
Federal mental health block grant-1 FTE positions	43750	0
Healthy Michigan plan - behavioral health	47620	10,999,000
Medicaid mental health services	52700	(15,640,400)
Medicaid substance use disorder services	52800	5,640,600
Nursing home PAS/ARR-OBRA	56300	697,300
GROSS APPROPRIATION		13,974,000
Appropriated from:		
Federal funds	3000	11,913,100
Marihuana regulatory fund	1551	78,700
Quality assurance assessment tax	1902	(7,457,800)
State general fund/general purpose	1000	9,440,000

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STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES	Appn/Fund	
Behavioral health facility contingency	32045	(20,000,000)
Center for forensic psychiatry	33650	10,000,000
Walter P. Reuther Psychiatric Hospital - adult	69250	10,000,000

GROSS APPROPRIATION **0**

Appropriated from:

State general fund/general purpose	1000	0
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EPIDEMIOLOGY AND POPULATION HEALTH	Appn/Fund	
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Epidemiology administration	42250	(350,000)
PFAS and environmental contamination response	58520	(250,000)

GROSS APPROPRIATION **(600,000)**

Appropriated from:

State general fund/general purpose	1000	(600,000)
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LOCAL HEALTH AND ADMINISTRATIVE SERVICES	Appn/Fund	
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AIDS prevention, testing, and care programs	30750	32,750,000
Cancer prevention and control program	33200	150,000
Sexually transmitted disease control program	64150	(250,000.0)
Violence prevention	68850	7,000,000

GROSS APPROPRIATION **39,650,000**

Appropriated from:

Federal funds	3000	9,750,000
Amanda's fund for breast cancer prevention and treatment	5101	200,000
Private funds	5000	30,000,000
State general fund/general purpose	1000	(300,000)

FAMILY HEALTH SERVICES	Appn/Fund	
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Family, maternal, and child health administration	43000	8,442,700
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GROSS APPROPRIATION **8,442,700**

Appropriated from:

Local funds	4000	8,442,700
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CHILDREN'S SPECIAL HEALTH CARE SERVICES

Appn/Fund

Children's special health care services administration	35650	(250,000)
Medical care and treatment	52850	(2,419,800)
GROSS APPROPRIATION		(2,669,800)
Appropriated from:		
Federal funds	3000	3,409,900
Fees and collections	1274	500,000
State general fund/general purpose	1000	(6,579,700)

AGING AND ADULT SERVICES AGENCY

Appn/Fund

Aging and adult services administration	56850	500,000
Community services	37150	700,000
Nutrition services	56400	800,000
GROSS APPROPRIATION		2,000,000
Appropriated from:		
Federal funds	3000	1,500,000
Private funds	5000	500,000

MEDICAL SERVICES ADMINISTRATION

Appn/Fund

<i>Full-time equated classified positions</i>		72
Healthy Michigan plan administration-72 FTE positions	47610	(500,000)
Medical services administration	53000	750,000
GROSS APPROPRIATION		250,000
Appropriated from:		
Private funds	5000	750,000
State general fund/general purpose	1000	(500,000)

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MEDICAL SERVICES	Appn/Fund	
Adult home help services	30400	(20,588,400)
Ambulance services	31000	(469,400)
Auxiliary medical services	31800	(665,800)
Dental services	39270	(47,962,100)
Federal Medicare pharmaceutical program	43700	(4,408,500)
Health plan services	47300	326,975,100
Healthy Michigan plan	47600	178,397,800
Home health services	48000	(865,400)
Hospice services	48250	(6,227,600)
Hospital services and therapy	48350	43,661,400
Integrated care organizations	49450	(14,747,400)
Long-term care services	51950	(44,139,100)
Maternal and child health	52450	(103,100.0)
Medicaid home- and community-based services waiver	52650	(40,476,400)
Medicare premium payments	53150	4,096,100
Personal care services	58400	507,200
Pharmaceutical services	58550	1,867,400
Physician services	58600	19,358,900
Program of all-inclusive care for the elderly	59800	10,646,100
School-based services	63450	20,000,000
Special Medicaid reimbursement	64900	53,562,400
Transportation	67805	(3,751,700.0)
GROSS APPROPRIATION		474,667,500
Appropriated from:		
Federal funds	3000	354,773,700
Local funds	4000	1,381,500
Obra penalties	5205	2,600,000
Health insurance claims assessment fund	1491	(4,725,400)
Healthy Michigan fund	1487	(4,900,000)
Insurance provider fund	1561	(3,252,300)
Medicaid benefits trust fund	1910	(33,500,000)
Other state restricted revenues	1200	75,584,100
Quality assurance assessment tax	1902	11,777,400
State general fund/general purpose	1000	74,928,500

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INFORMATION TECHNOLOGY	Appn/Fund	
Child support automation	16500	(1,117,600)
Information technology services and projects	16020	6,250,000
Michigan statewide automated child welfare information system	16208	142,900
GROSS APPROPRIATION		5,275,300
Appropriated from:		
Federal funds	3000	(714,700)
Private funds	5000	250,000
State general fund/general purpose	1000	5,740,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
<i>Full-time equated classified positions</i>		24.0
Comprehensive child welfare information system-24 FTE positions	T37427	11,133,500
GROSS APPROPRIATION		11,133,500
Appropriated from:		
Federal funds	3000	5,416,500
State general fund/general purpose	1000	5,717,000

Explanation

This supplemental request adds \$515.1 million gross, \$133.5 million General Fund for the Department of Health and Human Services. The request includes adjustments for FY 2020 caseload, utilization, and inflationary cost changes; several technical changes to restricted fund authorization and special payment levels; recognition of partial-year costs and savings associated with investments and reductions included in the FY 2021 budget; and a General Fund transfer of currently appropriated administrative funds to the Information Technology appropriation unit.

Updated caseload cost projections for children services, public assistance programs, and Medicaid physical and behavioral health account for \$473.2 million Gross (\$118.2 million General Fund). Specific adjustments by major program include:

-- Child welfare caseload adjustments totaling \$32.6 million (\$37.2 million General Fund) based on current caseload projections for Adoption Subsidies, Child Care Fund, Guardianship Assistance Program, Foster Care Payments, and Family Support Subsidy. An adjustment to the Child Care Fund line item accounts for new local revenue realized in the budget under the State Pays First legislation.

-- Public assistance caseloads are reduced by \$95.4 million total (\$1.9 million General Fund). Additional funding of \$174,400 (\$1.4 million General Fund) is needed for State Disability Assistance to recognize reduced Supplemental Security Income recoveries funding and the potential impact of changed asset tests. That cost is offset by declines in the Family Independence Program (\$1.3 million gross, \$1.9 million General Fund), the Food Assistance Program (\$92.9 million federal), and State Supplementation (\$1.3 million General Fund).

-- Caseload adjustments for physical health Medicaid and the Children's Special Healthcare Insurance Program total \$315.2 million (\$71.6 million General Fund). Significant baseline cost growth is projected in Health Plan Services (\$245 million gross, \$86.7 million General Fund), Healthy Michigan Plan (\$73.0 million gross, \$6.8 million General Fund), and Hospital Services and Therapy lines (\$60.9 million gross, \$16.1 million General Fund). These costs are partially offset by projected reductions in Long-Term Care Services (\$19.5 million gross, \$7 million General Fund), Integrated Care Organizations (\$14.7 million gross, \$5.3 million General Fund), and Physician Services lines (\$8.8 million gross, \$3.1 million General Fund).

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-- Within behavioral health services, Medicaid caseload adjustments total \$30.0 million (\$7.5 million General Fund). This is largely driven by increased costs for the Autism Services (\$12.2 million gross, \$4.4 million General Fund), Healthy Michigan Plan-Behavioral Health (\$12.6 million gross, \$2.0 million General Fund), and Medicaid Substance Use Disorders Services lines (\$5.6 million gross, \$2.0 million General Fund).

Additional non-caseload base adjustments are also funded in the supplemental request. Major adjustments include:

-- Child welfare-related adjustment of \$3.3 million for a new federal grant agreement between DHHS and county and tribal courts to provide children and parents with legal representation in child protective hearings; an adjustment to transfer the Michigan Child Support Enforcement System (MICSES) help desk from DTMB to DHHS; a \$250,000 increase to Capped Federal authorization for the first of three years of a new federal grant aimed at reducing child fatalities and recurring child maltreatment; \$15.8 million for a new federal grant to assist the state in implementing the federal Family First Prevention Services Act; and \$3.2 million (\$2.2 million General Fund) to increase the prospective case rate paid to the West Michigan Partnership for Children to better account for program costs.

-- Technical changes to Medicaid special payments totaling \$89.5 million (reduction of \$37.1 million General Fund). The most notable of these adjustments include recognition of a one-time increase in state psychiatric disproportion share hospital revenue (\$65.6 million gross, driving a reduction of \$42 million General Fund), a negative General Fund adjustment tied to Hospital Rate Adjustment payments for the Healthy Michigan Plan old eligible population (\$9.8 million General Fund), and a projected increase in the retainer on the traditional Medicaid Hospital Rate Adjustment payment (\$53.3 million gross, driving a savings of \$5.9 million General Fund).

-- Behavioral health adjustments including a reduction in projected Hospital Rate Adjustment revenue totaling \$16.8 million gross (increasing General Fund cost by \$1.7 million). Recognition of \$697,300 (\$174,300 General Fund) for additional clinical evaluations for mentally ill and intellectually disabled people seeking or receiving long-term care services, and a technical transfer of \$20.0 million General Fund between the Behavioral Health Facility Contingency line and the Center for Forensic Psychiatry and Walter P. Reuther Psychiatric Hospital lines.

-- General Fund authority of \$10.5 million is requested in the Field Operations unit to implement a Food Assistance Reinvestment Plan to mitigate the Food Assistance Program error rate, as required by the federal government.

-- This supplemental includes several adjustments to restricted and special revenue sources. Additional General Fund is needed to offset reduced funding from the Medicaid Benefits Trust Fund (\$33.5 million), the Healthy Michigan Fund (\$4.9 million), and the Health Insurance Claims Assessment (\$4.7 million) based on available balances and revenue projections. General Fund is reduced by \$7.8 million in the Medicaid program based on projected federal revenue from provision of school-based services.

-- Non-General Fund related requests add a total of \$47.1 million in federal, private, and local authority and 1.0 FTE to recognize new or changing grant amounts and account for projected changes in special revenues.

The supplemental includes budget changes tied to policy and program changes requested in the FY 2021 Executive Recommendation. Specifically:

-- \$11.3 million (\$5.8 million General Fund) to finance initial information technology development and staffing costs related to the replacement of the Michigan Statewide Automated Child Welfare Information System with a more modern cloud-based system.

-- Partial-year implementation of several investments proposed in FY 2021. An additional \$57.8 million (\$7.4 million General Fund) is requested to support a 7% outpatient hospital rate increase. Also, \$3.2 million (\$1.9 million General Fund) and 16 FTEs are requested to improve oversight of the department's Community Mental Health programs.

-- The costs of these investments are partially offset by savings from early implementation of FY 2021 savings. This includes modifying the state psychiatric disproportion share hospital calculation to include patients at the Center for Forensic Psychiatry (gross increase of \$11.6 million, reducing General Fund \$7.4 million) and several smaller savings tied to restricted revenue offsets and contractual efficiencies reducing gross \$2 million and General Fund \$1.4 million.

The supplemental also transfers \$6 million General Fund from administrative lines to the Information Technology Services and Projects line to permanently address the General Fund shortfall for IT in DHHS.

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Military and Veterans Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		425,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		425,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	425,000
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0

MICHIGAN VETERANS AFFAIRS AGENCY	Appn/Fund	
Board of managers (veterans homes)	38870	425,000
GROSS APPROPRIATION		425,000
Appropriated from:		
Veterans' homes post and posthumous funds	5215	425,000

Explanation

This request increases private authorization in the Board of Managers line to allow for the receipt of a donation for the D.J. Jacobetti Home for Veterans.

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Natural Resources

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		8,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		8,000,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	8,000,000
State general fund/general purpose	GFGP	0

RECREATIONAL LANDS AND INFRASTRUCTURE	Appn/Fund	
Brandon Road Lock and Dam	C80495	8,000,000
GROSS APPROPRIATION		8,000,000
Appropriated from:		
Michigan infrastructure fund	1581	8,000,000

Boilerplate

Sec. xxx. In addition to the funds appropriated in part 1 for Brandon Road Lock and Dam, any interest or earnings deposited into the Michigan infrastructure fund is appropriated and may be expended for the Brandon Road Lock and Dam.

Explanation

Public Act 618 of 2018 deposited \$8 million General Fund in the Michigan Infrastructure Fund to support a future appropriation for an improved barrier system at Brandon Road Lock and Dam in Joliet, Illinois -- a critical pinch point for stopping invasive carp from entering the Great Lakes. This supplemental requests spending authorization for these funds and any associated interest and earnings for Michigan's contribution toward the preconstruction engineering and design costs of the project.

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State

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		10
GROSS APPROPRIATION		395,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		395,000
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	395,000

LEGAL SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		10
Operations-10 FTE positions	57510	395,000
GROSS APPROPRIATION		395,000
Appropriated from:		
State general fund/general purpose	1000	395,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part I for a branch security program are designated as a work project appropriation, 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 to improve security for the public and employees in Department of State branch offices.
- (b) The project will be accomplished by new state employees.
- (c) The total estimated cost of the project is \$395,000.00.
- (d) The tentative completion date is September 30, 2021.

Explanation

This supplemental requests an increase of \$395,000 General Fund and 10 FTEs to fund additional Fire and Safety Officers in five branch offices to provide increased security for the public and the branch employees in cases of threatening or disorderly behavior. This request represents partial-year funding that will allow the department to begin hiring staff to address this current need.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/4/2020

Supplemental Letter Detail

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Supplemental Letter # 2020-1

State Police

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		6,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		6,000,000
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	6,000,000
ONE-TIME APPROPRIATIONS	Appn/Fund	
Legal settlement	T57550	6,000,000
GROSS APPROPRIATION		6,000,000
Appropriated from:		
State general fund/general purpose	1000	6,000,000

Explanation

This supplemental provides General Fund authorization to support a legal settlement agreement in the case of *Monique Grimes, as Personal Representative of the Estate of Damon Grimes, deceased v Tpr. Mark Bessner, Tpr. Ethan Berger, and Sgt. Jacob Liss*. The remaining \$6 million of the \$12 million settlement can be funded from existing department resources.

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SIGMA

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Supplemental Letter Detail

Run Time: 2:17:19 PM

Supplemental Letter # 2020-1

Technology, Management and Budget

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		20,600,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		20,600,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	1,500,000
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	19,100,000

DEPARTMENTAL ADMINISTRATION AND SUPPORT	Appn/Fund	
Bureau of labor market information and strategies	32900	1,500,000
GROSS APPROPRIATION		1,500,000
Appropriated from:		
Private funds	5000	1,500,000

SPECIAL PROGRAMS	Appn/Fund	
Venture Michigan fund II voucher purchase	68571	19,100,000
GROSS APPROPRIATION		19,100,000
Appropriated from:		
State general fund/general purpose	1000	19,100,000

Boilerplate

Sec. xxx. (1) From the funds appropriated in part 1, the state budget director is authorized to purchase tax vouchers described in this subsection. The state budget director may purchase tax vouchers described in this subsection only if the tax vouchers meet all of the following:

(a) The tax vouchers were issued under section 23 of the Michigan early stage venture investment act of 2003, 2003 PA 296, MCL 125.2253, by Venture Michigan Fund, a Michigan early stage venture investment corporation created under that act.

(b) The tax vouchers are held for the benefit of Stanton Equity Trading Delaware LLC, or its successors and permitted assigns.

(c) The tax vouchers that have a face value of \$19,100,000.00 are due to be tendered on or before September 30, 2020.

(2) From the funds appropriated in part 1, the state budget director may expend up to \$19,100,000.00 to purchase the tax vouchers that are tendered during the fiscal year ending September 30, 2020.

(3) Once the purchase of the tax vouchers is completed by the state budget director, the state budget director shall forward the tax vouchers to the state treasurer for destruction.

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Supplemental Letter Detail

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Explanation

This supplemental recommendation provides \$1.5 million in private spending authorization in the Bureau of Labor Market Information and Strategies line-item to recognize a competitive grant award received from the Eric and Wendy Schmidt Fund for Strategic Innovation for the Data for the American Dream Initiative (D4AD) pilot project. Michigan was one of three states whose proposals most aligned with the goals of the D4AD, which strives to assist students and those seeking employment to make better career choices through data-driven informed decisions. Funding will be used towards the creation of a suite of tools that will be designed to help underrepresented and low-income individuals in Michigan successfully transition to sustainable employment.

This supplemental recommendation also provides \$19.1 million General Fund to purchase tax vouchers that are held by the Stanton Equity Trading Delaware LLC, or its successors that were issued by the Venture Michigan Fund under Section 23 of the Michigan Early Stage Venture Investment Act of 2003 (Public Act 296 of 2003). The purchase of these tax vouchers in fiscal year 2020 protects the state from future revenue reduction liabilities and results in a net savings of \$3.8 million to the General Fund.

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SIGMA

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Supplemental Letter Detail

Run Time: 2:17:19 PM

Supplemental Letter # 2020-1

Treasury

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		14,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		14,000,000
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	14,000,000
ONE-TIME APPROPRIATIONS	Appn/Fund	
Presidential primary	T58930	14,000,000
GROSS APPROPRIATION		14,000,000
Appropriated from:		
State general fund/general purpose	1000	14,000,000

Explanation

Pursuant to Section 624g of the Michigan Election Law (1954 PA 116), the state is required to reimburse counties, cities, and townships for the cost of conducting a presidential primary election. Payments are made no later than 90 days after the state receives a verified account of actual costs. This deadline will fall on September 4, 2020. In 2016, reimbursements totaled \$13,000,000. This supplemental request is slightly higher in anticipation of increased voter turnout in 2020 and the costs associated with the passage of Michigan Proposal 18-3, which allows any voter to vote absentee.