

FY 2017-18 SUPPLEMENTAL APPROPRIATIONS
Summary: Senate Substitute for House-Passed Bill
House Bill 4320 (S-3)



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FY 2017-18 APPROPRIATION SUMMARY

Budget Area		FY 2017-18 Year-to-Date Appropriations	FY 2017-18 Supplemental Change	% Change
Capital Outlay	Gross	\$100	\$700	700.0
	GF/GP	\$100	\$700	700.0
Corrections	Gross	\$2,001,919,200	\$0	0.0
	GF/GP	\$1,946,633,600	\$0	0.0
Education	Gross	\$351,181,200	\$1,000,000	0.3
	GF/GP	\$80,677,400	\$1,000,000	1.2
Environmental Quality	Gross	\$511,967,700	\$39,537,500	7.7
	GF/GP	\$48,244,000	\$14,837,500	30.8
Health and Human Services	Gross	\$25,500,591,800	\$8,712,000	0.0
	GF/GP	\$4,371,819,400	\$8,712,000	0.2
Technology, Management, & Budget	Gross	\$1,165,972,600	\$100,000	0.0
	GF/GP	\$333,184,600	\$100,000	0.0
Transportation	Gross	\$4,347,443,000	\$2,000,000	0.0
	GF/GP	\$0	\$0	--
Treasury	Gross	\$620,009,800	\$1,500,100	0.2
	GF/GP	\$205,948,500	\$0	0.0
TOTAL	Gross	\$34,499,085,400	\$52,850,300	0.2
	GF/GP	\$6,986,507,600	\$24,650,200	0.4

Overview

House Bill 4320 (S-3) contains supplemental appropriation adjustments to multiple budget areas for FY 2017-18. In sum, adjustments would increase Gross appropriations in the state budget by \$52.9 million and increase GF/GP appropriations by \$24.7 million.

Appropriation and boilerplate priorities initiated by the State Budget Office and/or legislature, and included in the bill, are identified below.

FY 2017-18 Supplemental Appropriation Items

**Appropriation
Change**

CAPITAL OUTLAY

1. Saginaw Valley State University – College of Business and Management Expansion

The College of Business and Management expansion project at Saginaw Valley State University has a total project cost of \$18.5 million; a total state share of \$9.8 million; and a total university share of \$8.7 million. Total project cost was increased by \$1.0 million from the original planning authorization estimate. Increased demand for construction and labor shortages coupled with an exterior building envelope that was larger than originally anticipated resulted in the cost increase. The project would involve a 38,500 sq. ft. addition to the 236,000 sq. ft. Business and Professional Development Center to provide various academic, experiential, and active learning lab enhancements; academic centers (Dow Entrepreneurship Institute, Stevens Center for Family Business, and Business Resource Development Center); gathering spaces; and department offices. The addition of a finance laboratory/Bloomberg Trading Room, innovation laboratory, and consumer behavior lab would provide necessary state-of-the-art labs to support integrative learning and team project environments. The university has requested a 56% state share which is below the eligible state share of 75%.

Gross \$100
GF/GP \$100

FY 2017-18 Supplemental Appropriation Items

**Appropriation
Change**

2. Kellogg Community College – Regional Manufacturing Technology Center Renovation	Gross	\$100
Total project cost is \$4.3 million. Community college share is \$2.2 million; state share is \$2.2 million. The project would include renovation of approximately 39,000 sq. ft. Of this amount, 17,048 sq. ft. involves major renovation for the Workforce Solutions/Customized Training Department and minor renovation of 21,921 sq. ft. of existing lab spaces, selected reroofing, and selected areas of pavement replacement. Renovation would address deficiencies in the current facility's envelope, security, plumbing, mechanical, and electrical systems. The addition would include classroom space for the Workforce Solutions/Customized Training Department. In addition, the project would address lifecycle issues (flooring, wall coverings, etc.).	GF/GP	\$100
3. Lake Michigan College – Napier Academic Building Renovation and Upgrade	Gross	\$100
Total project cost is \$33.0 million. University share is \$24.5 million; state share is \$8.5 million. This reflects a \$16.0 million increase from the original project cost at the time of planning authorization. The college would cover the entire cost increase. A recently passed capital millage would allow the scope of the project to be increased to a more "in depth" renovation of the 50-year-old facility. Renovation would include enhanced technology and equipment improvements. The overall project includes renovation of 307,997 sq. ft. of space including 50 classrooms and two lecture halls; a new service center to assist faculty with redesigning curricula and identifying and learning new technologies; new collaborative learning spaces; replacement of heating and cooling plant and air handling units; improved ceilings and energy saving lighting; improved ADA compliance; upgrading safety and security; and providing a Student Success Center for classroom and workforce transition.	GF/GP	\$100
4. Monroe County Community College – Renovation of East and West Technology Buildings	Gross	\$100
Total project cost is \$9.0 million. Community college share is \$5.2 million; state share is \$3.8 million. This reflects a \$1.5 million increase from the original project cost at the time of planning authorization. The college would cover the entire cost increase. After receiving planning authorization, the college identified additional spaces to be renovated in order to allow for movement and co-location of academic programs not originally envisioned. As revised, the project would involve construction of 3,880 sq. ft. of net new area and renovation of 34,345 sq. ft. of net area. The entire main level will be impacted through renovation, providing full ADA accessibility, co-location of spaces that should be functionally adjacent, admitting more daylight, and improving interior appearance. Specifically, the project will provide 3 new active learning classrooms; 1 seminar room, renovation of 4 business/CIS computer labs and support spaces, 1 new art classroom/lab and support space, renovation of vacant shop space into an innovation lab, repurposing existing computer center to a testing center, a new Learning Assistance Lab, a new Technology Assistance Lab, new academic commons providing collaboration space, coworking space, office space for the business division, and offices for information systems.	GF/GP	\$100
5. St. Clair County Community College – Health Sciences – AJT Building Renovation	Gross	\$100
The Health Sciences – AJ Theisen Building Renovation project at St. Clair County Community College has a total cost of \$9.8 million; a total state share of \$4.9 million; and a total community college share of \$4.9 million. The project would involve renovation and remodeling of 42,210 sq. ft. of existing space in the AJ Theisen Building. Originally constructed as an industrial technology learning center in 1969, the building currently has low utilization. The renovation project would convert the building into state-of-the-art instructional space with simulation labs that replicate clinical environments for training medical professionals in nursing and health science-related programs. These simulation spaces would include examination rooms, ambulance staging and scenario space, and a medical records office. In addition, renovation would include skills labs adjacent to the simulation labs, a new computer lab, modern lecture halls, and a multi-purpose student hall for group learning or training events. Mechanical systems and energy efficiency upgrades would also be included.	GF/GP	\$100
6. Department of Natural Resources – Coolwater Rearing Hatchery Improvements	Gross	\$100
Total project cost is \$12.2 million. State share is \$12.2 million. The project would address needs at Thompson State Fish Hatchery and the Little Manistee Weir. The Thompson State Fish Hatchery project would include resurfacing of rearing units and the following new items: geothermal well, fish feeders, shallow wells, coolwater building, lined fish rearing ponds and a solar pond, pond aeration, predator netting, harvest kettles, perimeter fencing, emergency generators, security lighting, domestic water and wastewater, energy efficiency upgrades, and pond equipment storage building. The Little Manistee Weir project would include the following: new emergency generator, new fish crowders, new fish holding ponds, new exterior lighting, new perimeter fencing, electrical improvements, water supply improvements, new recovery tank pump, repair and resurface floors in egg take building, upgrade access road, and renovate pump intake building.	GF/GP	\$100

<u>FY 2017-18 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>
<p>7. Department of State Police – Grand Rapids Consolidation: Forensic Laboratory, 6th District Headquarters, and Rockford Post Project</p> <p>Total project cost is \$57.0 million. State share is \$57.0 million. The project involves construction of 100,308 sq. ft. of new space in Walker, MI broken down into the following purposes: Grand Rapids Post (13,155 sq. ft.), District Headquarters (19,128 sq. ft.), Forensic Lab (50,193 sq. ft), and common space (17,833 sq. ft.). The project would also include parking for 310 vehicles. Based on the submitted timeline, occupancy of the building would occur by December 2020.</p>	<p>Gross \$100 GF/GP \$100</p>
<p>8. Department of Military and Veterans Affairs – Grand Rapids and Detroit Veterans Home Construction Authorization Scope Change</p> <p>Unappropriates and reappropriates \$100 GF/GP associated with DMVA – Grand Rapids and Detroit Veterans Home construction authorization to provide for a project scope change associated with the Detroit veterans home. The location of the project would be expanded to include Wayne, Oakland, and Macomb counties. If, after 45 days, a location in those three counties was not found, the location search would be expanded to include greater southeast Michigan.</p>	<p>Gross \$0 GF/GP \$0</p>
CORRECTIONS	
<p>9. In-District Tuition Rates for Female Prisoners</p> <p>Includes a net \$0 re-appropriation of Education Program funding in order to include boilerplate on in-district tuition rates for female prisoners (Sec. 401).</p>	<p>Gross \$0 GF/GP \$0</p>
EDUCATION	
<p>10. School Water Training Program</p> <p>Provides \$1.0 million GF/GP for MDE to work with DEQ and DLARA to create a School Water Training program using best practices for managing drinking water in schools. The program is intended for educating school personnel, parents, and students. Funding will be used for the following: guidance on best practices that include training module(s) to support instruction; instruction on water testing; cartridges and filters for schools; and development of facility-wide flushing programs. The \$1.0 million is anticipated to lapse from the prior year work project account for Voluntary Water Testing. The lapsed \$1.0 million will be reappropriated for the School Water Training program.</p>	<p>Gross \$1,000,000 GF/GP \$1,000,000</p>
ENVIRONMENTAL QUALITY	
<p>11. PFAS Remediation and Response Activities</p> <p>Provides \$11.8 million GF/GP to address environmental contamination of perfluoroalkyl substances (PFAS). These substances have been used in food production, industrial, military, and textile settings for many years and may present a public health risk. This funding will be expended as follows: \$7.8 million for response activities at 14 confirmed PFAS locations and \$4.0 million for additional remediation and response activities.</p>	<p>Gross \$11,800,000 GF/GP \$11,800,000</p>
<p>12. PFAS Laboratory Equipment and Support</p> <p>Provides \$1.5 million GF/GP for laboratory equipment and support related to PFAS remediation.</p>	<p>Gross \$1,487,500 GF/GP \$1,487,500</p>
<p>13. PFAS Community Water Supply and Sampling</p> <p>Provides 7.0 FTE positions and \$1.6 million GF/GP to address environmental contamination of PFAS. This funding will be expended as follows: 5.0 FTE positions and \$1.1 million for direct support and technical assistance and 2.0 FTE positions and \$425,000 for community water supply and sampling.</p>	<p>FTEs 7.0 Gross \$1,550,000 GF/GP \$1,550,000</p>
<p>14. Clean Environment Initiative</p> <p>Provides \$14.0 million from the state restricted Michigan Infrastructure Fund for brownfield remediation and redevelopment. Funding will be used to replace exhausted Clean Michigan Initiative funding.</p>	<p>Gross \$14,000,000 Restricted 14,000,000 GF/GP \$0</p>
<p>15. Water Infrastructure Initiative</p> <p>Provides \$10.7 million from the state restricted Michigan Infrastructure Fund for the following: \$10.3 million for water asset management and \$375,000 for drinking water monitoring.</p>	<p>Gross \$10,700,000 Restricted 10,700,000 GF/GP \$0</p>

FY 2017-18 Supplemental Appropriation Items

HEALTH AND HUMAN SERVICES

16. PFAS Contamination Response – Analytical Laboratory Services **Gross \$4,144,000**
 Includes \$4.1 million GF/GP to address environmental contamination resulting from the use of perfluoroalkyl substances (PFAS). These substances have been used in food production, industrial, military, and textile settings for many years and may present a public health risk. Funding will be expended for expanded public health laboratory testing and analysis of PFAS in water, human blood, fish tissues, wild game, and home-raised foods. **GF/GP \$4,144,000**

17. PFAS Contamination Response – Local Health Department Support **Gross \$2,500,000**
 Provides \$2.5 million GF/GP to support local public health department response for up to 20 PFAS environmental contamination sites, which may include staffing, planning and response, materials, water filters, and other needs. **GF/GP \$2,500,000**

18. PFAS Contamination Response – Toxicology and Response FTEs 8.0
 Includes 8.0 FTE positions and \$1.8 million GF/GP for expanded environmental health toxicology and response for up to 20 PFAS environmental contamination sites, including toxicologists, disease registry, drinking water investigation, community health education and outreach, information technology tracking systems, and epidemiology consulting services. **Gross \$1,750,000**
GF/GP \$1,750,000

19. Medicaid Nonemergency Medical Transportation Pilot Program **Gross \$0**
 Includes a net \$0 re-appropriation of a Medicaid nonemergency medical transportation pilot program in order to modify the related boilerplate section (Sec. 702). Federal 0
GF/GP \$0

20. Hospice Room and Board **Gross \$318,000**
 Includes \$318,000 GF/GP for hospice room and board payments that are not eligible for federal Medicaid reimbursement. Total FY 2017-18 hospice room and board allocation would be \$3.3 million GF/GP. **GF/GP \$318,000**

TECHNOLOGY, MANAGEMENT, AND BUDGET

21. Information Technology Services for MDOT MiTRIP **Gross \$100,000**
 Provides \$100,000 GF/GP for implementing a new permit type in the MDOT MiTRIP application to allow businesses to apply for annual permits for power units to pull various loads/trailers that are within authorized size/weight limits, contingent upon enactment of House Bill 4644. **GF/GP \$100,000**

TRANSPORTATION

22. Asset Management Council – Culvert Mapping Project **Gross \$2,000,000**
 Includes \$2.0 million from the state restricted Michigan Infrastructure Fund for inspection and inventory of culverts on the local road system. This project is related to a recommendation made by the 21st Century Infrastructure Commission. In 2016, MDOT initiated a pilot inspection and inventory of culverts on the state trunkline highway system. Restricted 2,000,000
GF/GP \$0

TREASURY

23. Michigan Infrastructure Council **Gross \$1,500,000**
 Provides \$1.5 million from the state restricted Michigan Infrastructure Fund to support a Michigan Infrastructure Council. Funds would support establishing and organizing the council; researching and advising on asset management; evaluating existing asset management programs; developing multiyear program, work plan, and budgeting for asset management; and providing an annual report on current statewide asset management assessment. Restricted 1,500,000
GF/GP \$0

24. Drinking Water Declaration of Emergency Transfer Mechanism **Gross \$100**
 Includes a \$100 placeholder to allow for potential future transfers from the Drinking Water Declaration of Emergency Reserve Fund in FY 2017-18. Restricted 100
GF/GP \$0

FY 2017-18 Supplemental Boilerplate Items

CAPITAL OUTLAY

Sec. 301. Public Purpose, Lease and Conveyance, and Annual Appropriation
 States that the legislature determines the leases for SBA-financed facilities are for a public purpose, as authorized by the State Building Authority Act of 1964, and approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state; expresses intent of the legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease.

FY 2017-18 Supplemental Boilerplate Items

Sec. 302. Department of Military and Veterans Affairs – Grand Rapids and Detroit Veterans Homes Construction Authorization Scope Change

Provides a scope change for the DMVA – Detroit Veterans Home construction authorization originally approved in 2016 PA 340; expands possible location of the home to include all of Wayne, Oakland, and Macomb counties; specifies that if a location were not selected in Wayne, Oakland, or Macomb County after 45 days from the date of enactment, the site for the location of the home would be expanded to include the greater southeast area of Michigan; requires DMVA to provide a report of the sites considered and the reasons those sites were not deemed as feasible locations for the home, if Wayne, Oakland, or Macomb County are not chosen; requires the next veterans' home authorized, after those authorized under 2016 PA 340, to be located in Wayne, Oakland, or Macomb County.

CORRECTIONS

Sec. 401. In-District Tuition Rates for Female Prisoners

Authorizes the department to expend existing education funding on college tuition and fees that exceed Pell Grant amounts for female prisoners participating in the Second Chance Pell Grant program.

EDUCATION

Sec. 501. School Water Training Program

Requires MDE to work with DEQ and DLARA to develop and implement a statewide training program to promote best practices in managing school drinking water systems; requires best practices to consist of guidance and training modules to support instruction to educate school personnel, parents, and students; requires program to include instruction and training on water testing, instruction and training on development of facility-wide flushing programs designed to move water through systems after periods of stagnation, and any other information necessary to ensure school personnel are adequately trained to manage school drinking water systems.

ENVIRONMENTAL QUALITY

Sec. 601. Reimbursement for PFAS Environmental Contamination Response

Expresses intent of the legislature that the United States Department of Defense shall reimburse the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities.

Sec. 602. Expenditure of Funding for PFAS Environmental Contamination Response

Prohibits expenditure of GF/GP and state restricted funding sources for PFAS and environmental contamination response when federal or private funding is available for the same purpose.

HEALTH AND HUMAN SERVICES

Sec. 701. PFAS Environmental Contamination Response – Local Health Departments

Allocates \$2.5 million to local health departments experiencing potential PFAS contamination, which may be used for staffing, planning and response, materials, and other needs.

Sec. 702. Medicaid Nonemergency Medical Transportation Pilot Program

Requires DHHS to increase the number of counties in which a local public transportation entity is the primary administrator of the Medicaid nonemergency medical transportation benefit; requires DHHS to use a nonprofit brokerage already operating in the state to carry out this requirement; lists purpose and performance outcomes.

Sec. 703. Reimbursement for PFAS Environmental Contamination Response

Expresses intent of the legislature that the United States Department of Defense shall reimburse the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities.

Sec. 704. Expenditure of Funding for PFAS Environmental Contamination Response

Prohibits expenditure of GF/GP and state restricted funding sources for PFAS and environmental contamination response when federal or private funding is available for the same purpose.

TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 751. Information Technology Services for MDOT MiTRIP

Requires funding to be used for implementing a new permit type in the MDOT MiTRIP application to allow businesses to apply for annual permits for power units to pull various loads/trailers that are within authorized size/weight limits, contingent upon enactment of House Bill 4644.

TREASURY

FY 2017-18 Supplemental Boilerplate Items

Sec. 801. Michigan Infrastructure Council

Requires \$1.5 million appropriated for Michigan Infrastructure Council to be expended on activities, costs, and expenses of a newly created Michigan Infrastructure Council in the Department of Treasury; funds would support establishing and organizing the council, researching and advising on asset management, evaluating existing asset management programs, developing multiyear program, work plan, and budgeting for asset management, and providing an annual report on current statewide asset management assessment; requires an annual report on council activities and accomplishments and council expenditures by categories of administration, research and education, asset management planning, and other projects.

REPEALER

Enabling section 1. Health and Human Services Medicaid Nonemergency Medical Transportation Pilot Program

Repeals section 1861 of Article X of 2017 PA 107 and replaces it with section 702 of this bill.