

MACAO

Michigan Association of County Administrative Officers

Presentation to MACAO

FY 22 Budget

- July 1 deadline for a FY 22 budget missed - Targets reached – but many details still not worked out
- Budget bill passed in June -
 - Two percent increase in CRS – 1% as on-going and 1% as one-time. Still working on eliminating CIP requirements
 - \$26.5 million to establish 14 integrated behavioral and physical health clinics
 - \$51.4 million for Essential Local Public Health Services
 - \$13 million for Secondary Road Patrol (plus an additional \$2.7 million from an FY21 supplemental budget bill)
 - \$13 million for Community Corrections plans and services
 - \$4 million for the County Veteran Service Fund
 - \$29.1 million is designated for the first year of phased-in funding of the Raise the Age program
 - Michigan Indigent Defense Grants - \$149 Million



American Rescue Plan – Guidance

- Comment period on interim guidance concluded on July 16, 2021
- Treasury now has a minimum of 60 days to review
- The Final Rule for the Fiscal Recovery Fund is then expected to be shared on or after this period.
- We do not currently have clarity on what date the Final Rule will be released.



American Rescue Plan – Match Program

- Leverage our \$1.9 billion as potential match for part of the State's \$6.5 Billion
- Coalition formed with other locals, businesses, philanthropy and environmental organizations
- Ask center around 5 key areas of recovery:
 - Water infrastructure and broadband
 - Local capacity and fiscal stability
 - Housing and community development
 - Comprehensive economic development
 - Public health and safety



ARPA Reporting

- **Interim Report:** Due by Aug. 31, 2021, the Interim Report requires **all counties** to report programmatic data for spending between March 3 and July 31, 2021. **(This is a one-time report.)**
- If the county received Recovery Funds **AFTER** July 15, 2021, the county must submit an Interim Report **within 60 days of receiving funding.**
- **Project and Expenditure Report:** require project and expenditure data for awards and sub-awards, demographic information for each project. Initial Project and Expenditure Report is **due Oct. 31, 2021.**
- For counties with **awards above \$5 million**, project and expenditure reports are **due quarterly**
- For counties with **awards under \$5 million**, project and expenditure reports are **due annually**



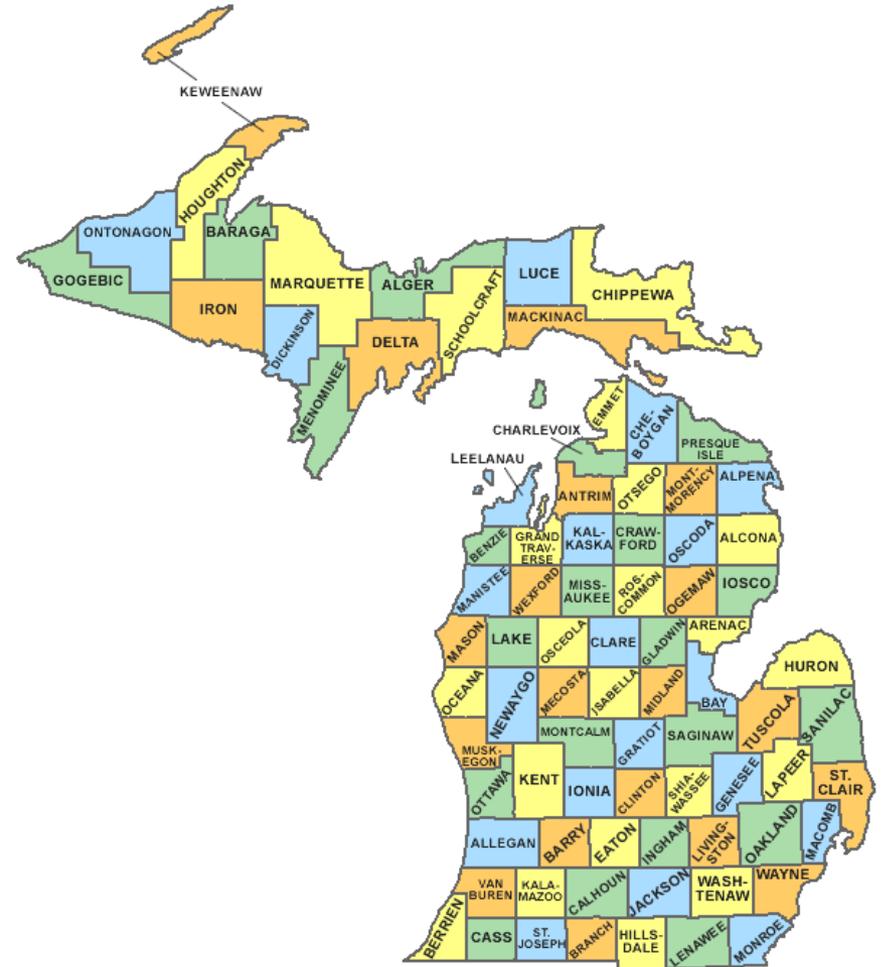
Indigent Defense

- Gov. recommended \$148.9M (, \$19.5 million for GF/GP, Standards 1-4, and \$12.0 million for Standard 5)
- Senate concurred; House concurred with increase but in Judiciary budget. (House move would need statutory changes- not likely/supported by MAC.)
- Outlook good on full funding as proposed by executive budget.
- Local share study approved in August. Overall recommendation- no changes at time.



4-year Commissioner Terms

- Michigan is among only 5 states in nation that limit all commissioner terms to 2 years
- All other elected county officials receive 4-year terms
- **MAC supports Senate Bills 242 & 245, which would enact 4-year terms, starting with 2024 presidential election**
 - Bills passed Senate 32-4
 - Now in House committee



Early Warning System

- Bi-cameral legislation –MAC currently opposed
- Meant to codify the oversight and assistance provided by the local and community division
- Investigation into fiscal challenges and capacity issues prior to a financial emergency
- Workgroup pushback – needs to be reworked and a positive approach respectful of local government taken
- MAC, MML, and MTA hired legal counsel to help draft changes



Solar Personal Property Tax Battle

- Governor veto'd \$4,000 per MW PILT last session
- STC recommendation of \$18,000 invoked loud opposition
- Buildout will require abatement – likely between 40 and 50% depending on STC amended recommendation
- PILT legislation shall be for large scale solar and be optional for the local assessing unit
- Larger abatement for brownfields, multiple use sites



Opioid Settlement

- Attorney General Dana Nessel has officially signed on to the proposed settlement of \$26 billion, \$800 million for Michigan.
- Local governments have 120 days to sign – on to the settlement - the defendants will then determine if enough local governments have signed on to move forward
- 15% local - 15% State - 70% abatement fund
- Abatement fund for certain eligible items will have to have legislative input and all funds through the appropriations process
- Don't sign on to anything until we know what the incentives are. No rush.
- MAC meeting with AG's office on Friday – opportunity to draw down more money. Give us time to negotiation on your behalf.



Veterans Property Tax Exemption

- HB 4624 and 4626 by Reps. Beau LaFave and Kevin Coleman would reimburse localities for any lost revenue through a PILT payment, tying the hands of the DNR for future land purchases if not paid.
- SB 540-541 by Sen. Ed McBroom and HB 5008-5010 by Reps. Sara Cambensey and Gary Howell – 100% reimbursement for losses but takes the reimbursements out of our existing LCSA payments.
- HB 4914 by Rep. Phil Green - one and done filing until the property is no longer eligible.
- Sen. Bumstead working on draft to reimburse locals without a State appropriation through a similar homestead tax credit as well as curb eligibility.



Mental Health Senate vs. House Proposals

- Shirkey plan prompts concern (SB's 597/598 – move toward privatized integration – not much support
- Whiteford bills (HB 4925-4929) creates state entity to manage Mental Health services
 - Proposal to replace the state's 10 Prepaid Inpatient Health Plans with a single nonprofit or administrative services organization
 - The Michigan Department of Health and Human Services (MDHHS) would develop, implement and oversee the core functions of the single services organization
- MAC supports local control on Mental Health, using evidence-based services



Raise the Age

- All counties should have submitted a plan detailing the additional costs for raise the age – that are not CCF eligible (prosecutor/patrol car) plus 100% CCF additional expenditure.
- \$29 million rec from Gov, \$17 million by the Senate – DHHS says they will have enough to cover it
- Starts Oct 1, 2021



9-1-1 Funding Sunset

- Emergency 9-1-1 Service Enabling Act expires at the end of year
- House Bill 5026 (Rep. Calley, R-Ionia) would:
 - Extend authorization for 9-1-1 operations and funding to Dec. 31, 2027
 - Ensure fee revenues are on target with projected costs of statewide implementation of Next General 911 (NG911)
 - Increase pre-paid surcharge from 5% to 6.5%
 - Increase post-paid fees 5 cents to 7 cents
 - Provide a fee rollback process if more revenue is generated than needed



Binding Arbitration

- Expansion to include corrections officers
- MAC has already testified against HB 4639 and HB 4725 by Rep. Kelly Breen and Rep. Robert Bezotte
- We oppose any expansion to other bargaining units due to the cost of the process, the long-term liabilities associated with third party decisions and the unequal treatment such a system provides to those bargaining units
 - HB 4725 passed House 97 - 10
 - Referred to Senate Economic and Small Business Committee



Addressing Infrastructure Needs

- FY22 budget expectations
 - \$5.2 B total going to MDOT, a 14% increase compared to last year
 - Governor and legislature still seeking more local revenue options for roads
 - \$300M to fix 120 local bridges
 - \$290M for Michigan Clean Water Plan
 - \$40M for high water level and coastal erosion planning
 - \$15M for a dam safety emergency fund
- \$3.5 billion Government Bonds for Roads over the next 5 years
 - Projects around the state include \$1.4 billion in Wayne, Oakland, and Macomb counties
 - The money will allow MDOT to add 26 new road projects and enhance 23 projects that were already planned



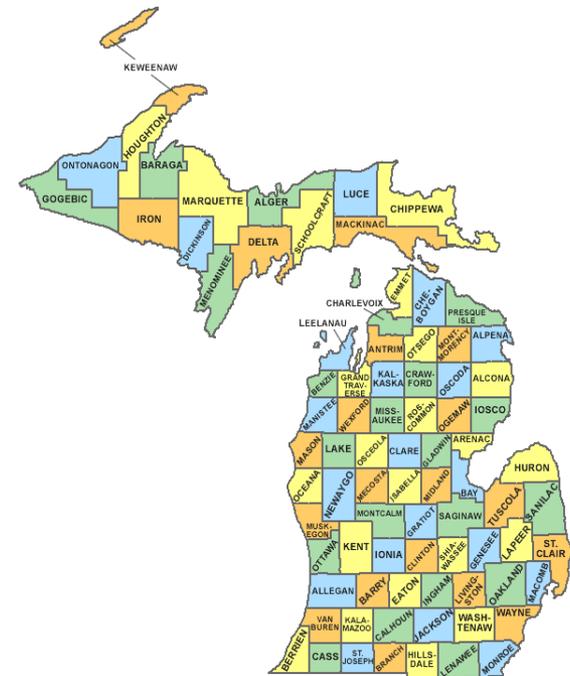
Independent Redistricting

- The MI Supreme Court decided to not indemnify the Independent commission should they not meet the final deadline for maps. Likely a premature request.
- First draw of maps are due Sept. 17
- 45-day cycle to ensure public comment when first draft maps are made available
- Big changes in representation all over Michigan
 - Currently the State Legislature leans Republican due to redistricting efforts by their party in 2010 but both chamber will be more competitive in 2022
 - Two things are certain Michigan will lose one congressional seat and the Detroit-Wayne County area will have two districts due to CR guidelines



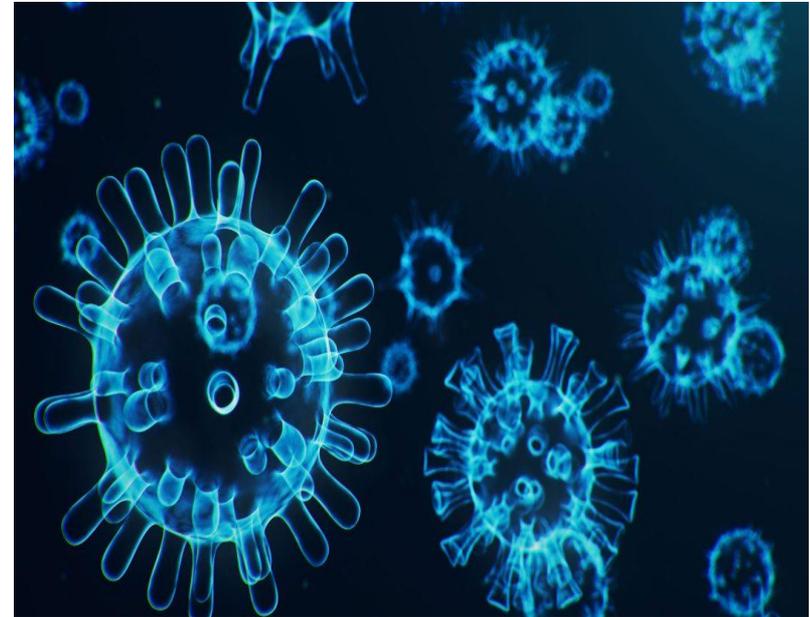
Apportionment – County Commission Seat Drawing

- The apportionment process takes place every 10 years following the census – it's happening this year in all 83 counties
- The commission is made up of the county clerk, county treasurer, county prosecuting attorney and the county chairpersons – of the two political parties
- The release of the official census data is September 30, this starts the 60-day clock on county apportionment
- The Apportionment Commissions are subject to the Open Meetings Act and residents can attend meeting and provide public comment



Public Health Orders

- The legislature recently passed the controversial Unlock Michigan petition which limits the Governor's ability to sustain long-term state of emergencies and, in turn, issue health mandates
- Unlock Michigan and some GOP lawmakers have already gone on record that their next goal is to restrict the ability of local governments to issue these orders
- Local governments remain unaffected
 - Some counties like Kent, Genesee, and Ottawa have mask mandates in place for school children
 - In most cases only a health official may revoke the order

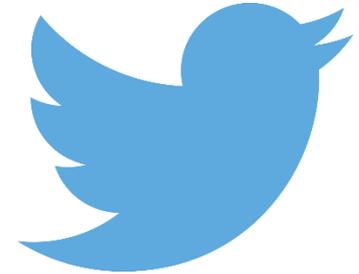


Communications

- Full suite of social media channels
- Podcast 83 is biweekly audio briefing on news and trends in county government



**Facebook.com/
MIcounties**



@MIcounties



Podcast 83



@MIcounties