

DATE: July 18, 2017
TO: Interested Parties
FROM: Susan Frey, Viola Wild, and Kevin Koorstra
RE: Executive Vetoes for House Bill 4323, Article X, DHHS FY 2017-18 Appropriations Bill

In a letter dated July 14, 2017 to the Michigan House of Representatives, the Governor notified the Michigan House of Representatives that he had signed the Enrolled House Bill 4323 and had vetoed fifteen specific funding items. Seven of these items are found in Article X, the DHHS Budget.

Background Information on Gubernatorial Vetoes

Article V Section 19 of the Michigan State Constitution of 1964 provides that the Governor may disapprove any distinct item or items appropriating money in appropriation bills. The parts of an appropriation bill that the Governor approves shall become law, but the item or items that are disapproved shall be void unless they are re-passed by a 2/3 vote in each house of the Legislature.

FY 2017-18 DHHS Vetoes

The following 7 programs or line items in the enrolled FY 2017-18 DHHS budget bill were vetoed by the Governor:

1. Muskegon Covenant Academy (\$280,000 GF/GP) – funding appropriated in the Youth in Transition line item in Appropriations Section 105 of the budget bill. Boilerplate Section 590 requires funding to be awarded to the Academy; entire section was vetoed by the Governor.
2. Northeast Michigan Community Services Agency to provide additional funding for the School Success Partnership Program (\$75,000 GF/GP) – funding appropriated in the Public Assistance Field Staff line item in Appropriations Section 108 of the budget bill. Boilerplate Section 809(2) requires funding to be awarded to the agency; entire subsection was vetoed by the Governor.
3. Early Neighborhood Learning Collaborative (\$60,000 GF/GP) - funding appropriated in the Public Assistance Field Staff line item in Appropriations Section 108 of the budget bill. Boilerplate Section 809(3) requires funding to be awarded to the collaborative; entire subsection was vetoed by the Governor.
4. Genomic Opioid Abuse Demonstration Program (\$850,000 Federal) - funding appropriated in the Community Substance Use Disorder Prevention, Education, and Treatment line item in Appropriations Section 111 of the budget bill. Boilerplate Section 1011 requires funding to be provided for the development of the program; entire section was vetoed by the Governor.
5. Pediatric Traumatic Brain Injury Project (\$1.0 million GF/GP) - funding appropriated in a separate line item entitled Injury Control Intervention Project in Appropriations Section 116 of the budget bill. Boilerplate Section 1228 requires funding to be provided for the implementation of specific software; entire line item and section was vetoed by the Governor.

6. Upper Peninsula EMS Grant (\$182,000 GF/GP) - funding appropriated in the Emergency Medical Services Program line item in Appropriations Section 118 of the budget bill. Boilerplate Section 1350 requires funding to be allocated for emergency medical services in rural counties within the Upper Peninsula; entire section was vetoed by the Governor.
7. TEAM Cares (\$300,000 GF/GP) - funding appropriated in a separate line item entitled Primary Care and Dental Health Services in the One-Time Basis Only Appropriations Section 124 of the budget bill. Boilerplate Section 1914 requires funding to be provided for specific primary care clinic and dental health clinic services to indigent individuals within Detroit and Wayne County; entire line item and section was vetoed by the Governor.

FY 2017-18 DHHS Unenforceable Boilerplate Sections

In addition to the items vetoed, the Governor's July 14, 2017 signing letter to the Michigan House of Representatives declared 3 boilerplate sections in the Enrolled House Bill 4323 unenforceable, which means that the Executive does not consider that these sections are enforceable as the rule of law. Two of these boilerplate sections are found within the DHHS budget, they are the following:

1. Section 650 – elimination of the Food Assistance Program Able-Bodied Adults Without Dependents Waiver. This section requires DHHS to apply the FAP eligibility requirements on a statewide basis starting May 1, 2018.

The language of the section as enrolled is as follows:

The department shall apply the food assistance eligibility requirements as prescribed in 7 CFR 273.24(a) – (d) on a statewide basis beginning May 1, 2018.

2. Section 1009(3) – requires that any funding not used by a PIHP for increasing direct care workers' wages or insurance contributions shall be deducted from a PIHP's base funding the next year.

The language of the subsection as enrolled is as follows:

(3) Any of the funds provided in this section not utilized by a PIHP for increasing direct care worker wages or for the employer's share of federal insurance contributions act costs shall be deducted from the base allocation to that PIHP in the subsequent fiscal year.

Please contact us if you have questions or would like to receive any additional information.