

FY 2019-20 SUPPLEMENTAL APPROPRIATIONS
Summary: House Committee Substitute
Senate Bill 690 (H-1)



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FY 2019-20 APPROPRIATIONS SUMMARY

Budget Area		FY 2019-20 Year-to-Date Appropriations	FY 2019-20 Supplemental Change	% Change
Education	Gross	\$419,896,500	\$140,000,000	33.3
	GF/GP	\$87,212,000	\$0	0.0
Health and Human Services	Gross	\$26,455,636,900	\$236,600,000	0.9
	GF/GP	\$4,826,421,900	\$0	0.0
Labor and Economic Opportunity	Gross	\$1,307,357,100	\$761,000,000	58.2
	GF/GP	\$142,308,300	\$0	0.0
Treasury - Operations	Gross	\$604,669,800	\$112,500,000	18.6
	GF/GP	\$120,744,700	\$0	0.0
TOTAL	Gross	\$28,787,560,300	\$1,250,100,000	4.3
	GF/GP	\$5,176,686,900	\$0	0.0

Overview

The House Substitute for Senate Bill 690 contains supplemental appropriation adjustments for various departments for FY 2019-20 to address the COVID-19 pandemic. Appropriations are funded with federal revenue from the federal Coronavirus Relief Fund. In sum, adjustments would increase Gross and Federal appropriations by \$1.3 billion. The bill would have \$0 impact on the state's General Fund.

Appropriation and boilerplate priorities are identified following this overview.

<u>FY 2019-20 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
EDUCATION		
1. Child Care Rate Reduction Stipend	Gross	\$125,000,000
Includes \$125.0 million for the department to provide child care rate reduction stipends to child care providers to reduce child care costs to families. All licensed child care providers that received grants from the Child Care Relief Fund would be eligible to receive a child care rate reduction stipend for each of the months of June, July, and August.	Federal	125,000,000
	GF/GP	\$0
2. Summer School Fund for Credit Recovery	Gross	\$15,000,000
Includes \$15.0 million for the department to allocate to school districts statewide to support summer school for credit recovery or to support fall instructional recovery programming.	Federal	15,000,000
	GF/GP	\$0
HEALTH AND HUMAN SERVICES		
3. COVID-19 Direct Care Worker Pay Adjustment	Gross	\$226,500,000
Includes \$226.5 million for the department to increase wages paid to direct care workers by \$3 per hour above the rates paid on March 1, 2020 retroactive to April 1, 2020 through September 30, 2020.	Federal	226,500,000
	GF/GP	\$0
4. Inpatient Behavioral Health Grants	Gross	\$5,100,000
Includes \$5.1 million for a \$100 per diem increase to the inpatient psychiatric hospital rate adjustment program through Medicaid prepaid inpatient health plans.	Federal	5,100,000
	GF/GP	\$0

<u>FY 2019-20 Supplemental Appropriation Items</u>		Appropriation Change
5. Victim Services Continuity and Stability Grants		
Includes \$5.0 million for grant awards to organizations that provide victim services for victims of domestic violence, sexual assault, stalking, and other crimes that cause physical injury or cause victims to fear for their physical safety. Grant awards would be capped at \$2,500 per organization.		Gross \$5,000,000
	Federal	5,000,000
	GF/GP	\$0
LABOR AND ECONOMIC OPPORTUNITY		
6. Unemployment Insurance Agency		
Includes \$11.0 million for the department to hire no more than 300 term-limited employees for up to 6 months, and purchase software, equipment, and other supplies necessary for processing unemployment claims, reducing backlogs and time lags, and providing customer service to claimants.		Gross \$11,000,000
	Federal	11,000,000
	GF/GP	\$0
7. Small Business Restart Grants		
Includes \$200.0 million for a small business restart grant program, with not less than \$12.0 million designated for agriculture processing safety grants and not more than \$188.0 million designated for grants to assist qualifying small businesses with restarting operations. Agriculture processing safety grants would be capped at \$1,000 per plant employee. Grants awarded to small businesses would be capped at \$5,000 per business.		Gross \$200,000,000
	Federal	200,000,000
	GF/GP	\$0
8. Personal Protection Equipment Grants		
Includes \$50.0 million for the department to provide grants to specified priority providers for personal protection equipment, COVID-19 testing, and COVID-19 testing equipment.		Gross \$50,000,000
	Federal	50,000,000
	GF/GP	\$0
9. Unemployment Insurance Stabilization Fund		
Includes \$500.0 million to be deposited into the Unemployment Insurance Stabilization Fund created in the Department of Treasury. Funds would be appropriated and available for expenditure to provide a stabilization payment to the Unemployment Trust Fund if the balance dropped below \$235.0 million.		Gross \$500,000,000
	Federal	500,000,000
	GF/GP	\$0
TREASURY		
10. Device Purchasing Program/Distance Learning		
Includes \$10.0 million to be allocated to the Michigan Association of Intermediate School Administrators (MAISA) to be used for the coordination and incentivizing of strategic purchasing of devices that would be used by students at home and in the school environment. MAISA would be required to use the funds to make devices affordable for all K-12 districts through a statewide purchase program.		Gross \$10,000,000
	Federal	10,000,000
	GF/GP	\$0
11. First Responder Hazard Pay Premiums		
Includes \$100.0 million for the payment or reimbursement of first responder hazard pay premiums provided to first responders who performed hazardous duty or work related to COVID-19. First responders would include law enforcement officers, firefighters, emergency medical technicians, paramedics, 9-1-1 operators, local unit of government corrections officers, airport public safety officers, and eligible personnel associated with ambulance operations. No more than \$5.0 million would be awarded to any applicant, and the maximum reimbursement amount would be capped at \$1,000 per eligible employee.		Gross \$100,000,000
	Federal	100,000,000
	GF/GP	\$0
12. Hospitality Relief Fund		
Includes \$2.5 million to be allocated to the Michigan Restaurant and Lodging Association Educational Foundation to be used to provide grants of up to \$500 to individuals who were employed in the hospitality industry in Michigan as of March 10, 2020 and who can demonstrate need.		Gross \$2,500,000
	Federal	2,500,000
	GF/GP	\$0

FY 2019-20 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government

Expresses total state spending from state sources and payments to be made to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. State Administrative Board Transfers

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

Sec. 204. Appropriations Subject to Federal Audit and Reporting Requirements

Subjects appropriations to applicable federal audit and reporting requirements; requires the state budget director to evaluate and monitor compliance with federal regulations; requires prompt action by the state budget director if instances of noncompliance are identified; requires the state budget director to notify the Senate and House Appropriations Committees and Fiscal Agencies of incidences of noncompliance.

Sec. 205. Report on Status of COVID-19 Appropriations

Requires the state budget director to report on the status of all funds appropriated related to the coronavirus relief effort on a biweekly basis until all funds are exhausted.

EDUCATION

Sec. 301. Child Care Rate Reduction Stipend

Requires appropriation to be used by the department to provide child care rate reduction stipends to child care providers; authorizes licensed child care providers that received grants from the Child Care Relief Fund to be eligible to receive a rate reduction stipend for each of the months of June, July, and August; requires providers to reduce their rates by a specified rate reimbursement percentage; requires the department to take reasonable steps to distribute the stipend within 7 business days and to provide notice and information on how to apply for the stipend; requires providers to maintain all billing and refund records; authorizes funding reduction if the department fails to take reasonable steps to distribute the stipend within 7 days; requires the department to prorate payments if funds allocated are insufficient to fully fund the stipend.

Sec. 302. Summer School Fund for Credit Recovery

Requires appropriation to be allocated to local school districts statewide and public school academies to support summer school for credit recovery or to support fall instructional recovery programming; defines an instructional recovery program as one specifically designed to enable students to catch up and resume learning that was interrupted due to COVID-19; requires funding to be allocated on an equal per-pupil basis, based on the number of pupils in each district.

HEALTH AND HUMAN SERVICES

Sec. 401. COVID-19 Direct Care Worker Pay Adjustment

Requires appropriation to be used to increase wages paid to direct care workers by \$3 per hour above the rates paid on March 1, 2020 retroactive to April 1, 2020 through September 30, 2020; lists employees that would be eligible to receive the increased wage; requires contractors and subcontractors to provide documentation of wage increases; prohibits wage increase from being used when determining employees' average compensation; authorizes direct care workers to elect to not receive the wage increase.

Sec. 402. Inpatient Behavioral Health Grants

Requires appropriation to be distributed in a manner consistent with a \$100 per diem increase to the inpatient psychiatric hospital rate adjustment program through the Medicaid prepaid inpatient health plans for one quarter of the fiscal year; requires hospitals to use the funds for necessary expenditures incurred as a result of COVID-19.

Sec. 403. Victim Services Continuity and Stability Grants

Requires appropriation to be used for grants to organizations that provide victim services for victims of domestic violence, sexual assault, stalking, and other crimes that cause physical injury or cause victims to fear for their physical safety; lists allowable uses of grant funding; caps grant awards at \$2,500; requires the department to report on the number of grant applications received, grants awarded, and grant amounts.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 501. Unemployment Insurance Agency

Requires appropriation to be used by the department to hire no more than 300 term-limited employees for up to 6 months, and purchase software, equipment, and other supplies necessary for processing unemployment claims, reducing backlogs and time lags, and providing customer service to claimants.

FY 2019-20 Supplemental Boilerplate Items

Sec. 502. Small Business Restart Grants – Agriculture Processing Safety Grants

Requires not less than \$12.0 million of the appropriation for small business restart grants to be used to support agriculture processing plants; authorizes grant award to be used for COVID-19 testing costs, facility needs for protection against the spread of the virus, personal protection equipment, and screening procedures; caps grant awards at \$1,000 per plant employee; requires the Michigan Strategic Fund to develop guidelines, to obtain expenditure reports from grant recipients, and to report on the results of the expenditure reports; requires a report on the number of grant applications received, grants awarded, and grantees by county.

Sec. 503. Small Business Restart Grants – Small Businesses

Requires not more than \$188.0 million of the appropriation for small business restart grants to be used to support small businesses that have realized a significant financial hardship as a result of the COVID-19 emergency; lists eligibility criteria for grant recipients and grant awards; caps grant awards at \$5,000; requires a report on the number of grant applications received, grants awarded, and grantees by county.

Sec. 504. Personal Protection Equipment Grants

Requires appropriation to be used to provide grants for personal protection equipment (PPE) support and testing to priority providers listed in the section; requires grants to be used for PPE, testing, and testing equipment; requires a report on the number of grant applications received, grants awarded, and grantees by county.

Sec. 505. Unemployment Insurance Stabilization Fund

Requires appropriation to be deposited into the Unemployment Insurance Stabilization Fund; creates the fund in the Department of Treasury; appropriates and authorizes expenditure of funds in the Unemployment Insurance Stabilization Fund subject to the following conditions: if the balance of the Unemployment Trust Fund falls below \$235.0 million, then the balance of the Unemployment Insurance Stabilization Fund would be deposited in the Unemployment Trust Fund, or if the balance of the Unemployment Trust Fund remains above \$235.0 million on September 30, 2020, then funds in the Unemployment Insurance Stabilization Fund would lapse to the funds from which they were received; requires interest and earnings to lapse to the general fund.

TREASURY

Sec. 601. First Responder Hazard Pay Premiums

Requires appropriation to be used for the payment or reimbursement of first responder hazard pay premiums provided to first responders who performed hazardous duty or work related to COVID-19; lists eligible first responders as law enforcement officers, firefighters, emergency medical technicians, paramedics, 9-1-1 operators, local unit of government corrections officers, airport public safety officers, and eligible personnel associated with ambulance operations; prohibits more than \$5.0 million to be awarded to any applicant; caps the reimbursement amount at \$1,000 per eligible employee; requires the department to report on grants awarded; designates unexpended funding as a work project appropriation.

Sec. 602. Device Purchasing Program/Distance Learning

Requires appropriation to be allocated to the Michigan Association of Intermediate School Administrators to be used for the device purchasing program and distance learning; requires funding to be used for the coordination and incentivizing of strategic purchasing of devices that would be used by students at home and in the school environment; requires an incentive for use of the SPOT bid in purchasing; specifies criteria that districts must meet in order to receive funding under the program; requires recognition of other funding received by districts under the federal CARES Act and corresponding reductions in requested incentives; requires the department to report on devices purchased and plans for program sustainability.

Sec. 603. Hospitality Relief Fund

Requires appropriation to be used by the Michigan Restaurant and Lodging Association Educational Foundation to provide grants of up to \$500 to individuals who were employed in the hospitality industry in Michigan as of March 10, 2020 and who can demonstrate need; lists eligibility requirements for applicants.