

FY 2021-22 and FY 2022-23 SUPPLEMENTAL APPROPRIATIONS
Summary: As Enrolled
House Bill 4016 (S-1)



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Overview

House Bill 4016 (S-1) contains supplemental appropriation adjustments to multiple state department budgets for FY 2021-22 and FY 2022-23. In sum, FY 2021-22 adjustments total \$0.0 million Gross (\$0.0 million GF/GP) and FY 2022-23 adjustments total \$1.3 billion Gross (\$828.6 million GF/GP).

Appropriation and boilerplate priorities initiated by the legislature and the State Budget Office are identified below.

FY 2022-23 APPROPRIATION SUMMARY

Budget Area		FY 2022-23 Year-to-Date Appropriations	FY 2022-23 Supplemental Change	% Change
Environment, Great Lakes, and Energy	Gross	\$728,654,300	\$212,500,000	29.2
	GF/GP	\$98,835,800	\$500,000	0.5
Health and Human Services	Gross	\$33,438,302,800	\$241,299,300	0.7
	GF/GP	\$6,242,365,800	\$39,522,300	0.6
Labor and Economic Opportunity	Gross	\$4,689,486,200	\$568,629,100	12.1
	GF/GP	\$2,940,839,900	\$483,622,300	16.4
Military and Veterans Affairs	Gross	\$362,366,000	\$750,000	0.2
	GF/GP	\$142,465,000	\$0	0.0
Natural Resources	Gross	\$535,482,800	\$10,000,000	1.9
	GF/GP	\$94,404,000	\$0	0.0
Transportation	Gross	\$6,125,325,100	\$330,000,000	5.4
	GF/GP	\$91,250,000	\$330,000,000	361.6
Treasury	Gross	\$1,604,358,500	(\$25,000,000)	(1.6)
	GF/GP	\$1,061,440,500	(\$25,000,000)	(2.4)
TOTAL	Gross	\$47,483,975,700	\$1,338,178,400	2.8
	GF/GP	\$10,671,601,000	\$828,644,600	7.8

FY 2022-23 Supplemental Appropriation Items		Appropriation Change
ENVIRONMENT, GREAT LAKES, AND ENERGY		
1. Environmental Sustainability and Stewardship	Gross	\$212,000,000
Appropriates \$212.0 million in available federal revenue for U.S. Department of Energy-approved energy efficiency updates completed by homeowners and landlords.	Federal	212,000,000
	GF/GP	\$0
2. Mineral Wells	Gross	\$500,000
Includes \$500,000 GF/GP to support increased statewide oversight of disposal wells, perform compliance and enforcement activities, and support remedial actions deemed necessary by the department.	GF/GP	\$500,000

<u>FY 2022-23 Supplemental Appropriation Items</u>		Appropriation Change
HEALTH AND HUMAN SERVICES		
3. Medicaid Long-Term Care Services		
Includes \$63.5 million Gross (\$14.5 million GF/GP) to increase Medicaid interim rates to nursing home providers by 2% beginning on January 1, 2023. Amount also includes associated supplemental Medicaid payments financed with nursing home quality assurance assessment program (QAAP) as the state match portion.	Gross	\$63,499,300
	Federal	44,013,200
	Restricted	4,963,800
	GF/GP	\$14,522,300
4. ARP – Community Violence Intervention		
Includes a total of \$10.8 million Gross, with \$5.8 million of that supported by federal Coronavirus State Fiscal Recovery Funds. Funding would be used to establish an Office of Community Violence Intervention Services (\$800,000 SFRF) and to provide grants to community-based organizations that provide community violence intervention services (\$10.0 million Gross; \$5.0 million SFRF).	FTE	2.0
	Gross	\$10,800,000
	Federal	5,800,000
	Private	5,000,000
	GF/GP	\$0
5. ARP – Health Care Recruitment, Retention, and Training		
Adds \$75.0 million of federal Coronavirus State Fiscal Recovery Funds to support health care recruitment, retention, and training programming for acute care and behavioral health care providers.	Gross	\$75,000,000
	Federal	75,000,000
	GF/GP	\$0
6. ARP – Nursing Home Workforce		
Adds \$67.0 million of federal Coronavirus State Fiscal Recovery Funds to support long-term care workforce recruitment, retention, training, or career development.	Gross	\$67,000,000
	Federal	67,000,000
	GF/GP	\$0
7. Water Affordability		
Includes \$25.0 million GF/GP to support grants to qualified providers for income-based programming for restoring residential water services, paying water bill arrears, supporting payment plans, and protecting water shutoffs.	Gross	\$25,000,000
	GF/GP	\$25,000,000
LABOR AND ECONOMIC OPPORTUNITY		
8. Michigan Citizen Reentry Initiative		
Includes \$2.5 million in federal funding for the Michigan Citizen Reentry Initiative (MiCRI) to be used to evaluate and expand employment and training programs and other services at a federal correctional facility and four residential reentry facilities.	Gross	\$2,540,600
	Federal	2,540,600
	GF/GP	\$0
9. Michigan Community Services Commission		
Includes \$7.3 million in federal funding to support the AmeriCorps program.	Gross	\$7,274,200
	Federal	7,274,200
	GF/GP	\$0
10. ARP – Arts and Cultural Program		
Includes \$5.0 million in federal funding to support non-profit organizations impacted by the COVID-19 pandemic.	Gross	\$5,000,000
	Federal	5,000,000
	GF/GP	\$0
11. ARP – Community and Neighborhood Initiatives		
Includes \$60.0 million in federal funding for a competitive grant program for certain projects at eligible community centers owned by a municipality, local government agency, or nonprofit organization and in good financial standing.	Gross	\$60,000,000
	Federal	60,000,000
	GF/GP	\$0
12. ARP – EDA Statewide Planning Grant		
Includes \$1.0 million in authorization to receive federal grant funding for statewide planning efforts to support economic development, increase competitiveness, support efforts concerning climate change, and recover from the pandemic. Funding would support creation of the Michigan Regional Resiliency Program.	Gross	\$1,000,000
	Federal	1,000,000
	GF/GP	\$0
13. Career and Technical Education Complex		
Includes \$9.8 million GF/GP for the Career and Technical Education Complex at North Central Michigan College.	Gross	\$9,872,300
	GF/GP	\$9,872,300
14. Community Development Block Grant – Disaster Recovery		
Appropriates \$7.9 million in federal Disaster Recovery funding to help mid-Michigan address the severe storms of June 2021.	Gross	\$7,864,000
	Federal	7,864,000
	GF/GP	\$0
15. Housing Gap Financing and Affordable Housing		
Unappropriates and reappropriates funding (net \$0 impact) for the Housing Gap Financing and Affordable Housing program to increase the affordable housing supply, assist in implementation of Michigan's statewide housing plan, and help to reduce housing cost burdens on residents.	Gross	\$0
	GF/GP	\$0

<u>FY 2022-23 Supplemental Appropriation Items</u>		Appropriation Change
16. Mega-Strategic Site Development	Gross	\$299,700,000
Includes \$299.7 million GF/GP to be used by the Michigan Strategic Fund to grant funds for land acquisition and predevelopment site work related to the development of a mega-strategic site located in Marshall.	GF/GP	\$299,700,000
17. State Digital Equity Planning Grant	Gross	\$1,328,000
Includes \$1.3 million in federal funding to be used to develop a state digital equity plan to qualify for additional federal funding through the larger State Digital Equity Capacity Grant Program.	Federal	1,328,000
	GF/GP	\$0
18. Strategic Outreach and Attraction Reserve (SOAR) Fund	Gross	\$170,300,000
Includes \$170.3 million GF/GP to be deposited into the SOAR fund.	GF/GP	\$170,300,000
19. Student Aviation Center	Gross	\$3,750,000
Includes \$3.8 million GF/GP for renovation of hangers used for the aviation program at Northwestern Michigan College and for acquisition of additional aircraft that would be used for instruction of student pilots.	GF/GP	\$3,750,000
MILITARY AND VETERANS AFFAIRS		
20. Suicide Prevention – SSG Parker Gordon Fox Federal Grant Program	Gross	\$750,000
Includes \$750,000 in federal funds authorized under the VA Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program. Grants would be awarded to eligible entities that provide outreach for suicide prevention services.	Federal	750,000
	GF/GP	\$0
NATURAL RESOURCES		
21. ARP – Lake Erie and Saginaw Bay Watershed Wetland Restoration, Enhancement, and Acquisition	Gross	\$10,000,000
Appropriates \$10.0 million in available federal revenue for acquisition and rehabilitation of wetlands in the Lake Erie and Saginaw Bay watersheds to reduce nitrogen, phosphorus, or sediment in the water.	Federal	10,000,000
	GF/GP	\$0
TRANSPORTATION		
22. Economic Development Project	Gross	\$330,000,000
Provides \$330.0 million GF/GP for economic development projects related to road and other infrastructure improvements.	GF/GP	\$330,000,000
TREASURY		
23. Water Shutoff Prevention Fund	Gross	(\$25,000,000)
Eliminates the \$25.0 million GF/GP appropriated for deposit into the Water Shutoff Prevention Fund created in Treasury under boilerplate section 601 in 2023 PA 1. Instead, funding for water affordability grants would be appropriated in the DHHS budget.	GF/GP	(\$25,000,000)

FY 2022-23 Supplemental Boilerplate Items

GENERAL SECTIONS

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

States amount of state spending from state sources in the bill and amount of state spending to be paid 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. Allocation and Expenditure of Appropriations

Requires allocation and expenditure of appropriations in a manner consistent with federal rules and regulations.

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

Subjects appropriations to applicable federal audit and reporting requirements; requires prompt action if instances of noncompliance are identified; requires the state budget director to notify appropriations committees and fiscal agencies of instances of noncompliance.

Sec. 205. Report on Status of Federal COVID Relief Appropriations

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

FY 2022-23 Supplemental Boilerplate Items

ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 401. Environmental Sustainability and Stewardship

Designates unexpended funds as a work project appropriation; funds would be provided to homeowners and landlords for U.S. Department of Energy-approved energy efficiency upgrades.

Sec. 402. Mineral Wells

Requires funding to be used to support the increase in statewide oversight of disposal wells, perform necessary compliance and enforcement activities, and support any remedial actions deemed necessary by the department; requires the department to prioritize activities that pose an immediate environment hazard, including oversight of and hazardous substances imported for disposal into wells located in Wayne County; designates unexpended funds as a work project appropriation.

HEALTH AND HUMAN SERVICES

Sec. 501. Water Affordability

Requires funding to be allocated for grants to qualified providers for income-based programming for restoring residential water services, paying water bill arrears, supporting payment plans, and protecting water shutoffs; defines qualified providers; designates unexpended funds as a work project appropriation.

Sec. 502. ARP – Nursing Home Workforce

Requires funding to be used to provide grants to support long-term care workforce recruitment, retention, training, or career development; designates unexpended funds as a work project appropriation.

Sec. 503. Medicaid Long-Term Care Services

Requires DHHS to adjust the interim variable cost component and plant cost component of Medicaid reimbursements to nursing homes to 102% of the interim rate provided in the enacted FY 2022-23 DHHS budget; outlines the calculation of the quality assurance supplement; requires DHHS to audit final variable cost component and plant costs.

Sec. 504. ARP – Community Violence Initiative

Requires DHHS to provide grants to community-based organizations that provide community violence intervention services; requires at least 50% of grant funding to be awarded to disproportionately affected communities; designates unexpended funds as a work project appropriation.

Sec. 505. ARP – Health Care Recruitment, Retention, and Training

Requires funding to be used for health care recruitment, retention, and training programming for acute care and behavioral health care providers; requests the Michigan Health and Hospital Association to administer the program; prohibits funds from being used to support recruitment or retention programming announced before December 1, 2021.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 701. Strategic Outreach and Attraction Reserve Fund (SOAR)

Requires SOAR funding to be deposited into the SOAR fund established in section 4 of the Michigan Trust Fund Act, 2000 PA 489.

Sec. 702. Contingency Authorization for Strategic Outreach and Attraction Reserve Fund

Appropriates \$170.3 million state restricted contingency authorization; funding would be available for expenditure after transfer to another line item under section 393(2) of the Management and Budget Act, 1984 PA 431.

Sec. 703. Community Development Block Grant

Designates unexpended funds as a work project appropriation; funds would be used to support disaster recovery efforts.

Sec. 704. State Digital Equity Planning Grant

Designates unexpended funds as a work project appropriation; funds would be used to support digital equity planning efforts, identify barriers to digital equity, and develop strategies for overcoming the barriers.

Sec. 705. ARP – Community and Neighborhood Initiatives

Requires funding to be used to support a competitive grant program for certain projects at eligible community centers owned by a municipality, local government agency, or nonprofit organization and in good financial standing; requires applicants to submit a project budget; authorizes grants to be awarded only to community centers that are free and open to the public and that offer at least one eligible community service; prohibits grants from exceeding \$2.5 million for any community project; requires an eligible community center to either serve a community that was disproportionately affected by the COVID-19 pandemic or be owned by a nonprofit organization that was affected; requires quarterly reports from grant recipients; authorizes the department to use up to 2.5% of funds for administration of grants; designates unexpended funds as a work project appropriation.

Sec. 706. Mega-Strategic Site Development

Requires the Michigan Strategic Fund to grant funds for land acquisition and predevelopment site work related to the development of a mega-strategic site located in Marshall; allows the grantee to subcontract with appropriate professional services providers; states that the legislature finds and declares funding is to be used for a public purpose and to serve the health, safety, and general welfare of residents of the state; designates unexpended funds as a work project appropriation.

FY 2022-23 Supplemental Boilerplate Items

Sec. 707. Arts and Cultural Program

Requires funding for the Arts and Cultural Program be awarded to non-profit organizations impacted by the COVID-19 pandemic; requires expenditures to comply with federal regulations established by the federal American Rescue Plan Act.

Sec. 708. Career and Technical Education Complex

Requires LEO to award funding to North Central Michigan College for the Career and Technical Education Complex.

Sec. 709. Housing Gap Financing and Affordable Housing

Requires funding to be used by MSHDA to create a program to assist in implementation of Michigan's statewide housing plan by reducing housing cost burdens on residents and increasing the supply of affordable housing; requires funding to be used to help defray costs of eligible projects sponsored by for-profit and nonprofit developers that help increase the affordable housing supply; requires grants or loans to be allocated for projects that qualify for tax credits under section 42 of the Internal Revenue code of 1986 – 40.0% as grant or forgivable loan for construction of new housing units through pass-through bond program, 20.0% as grant or forgivable loan for projects awarded 9.0% tax credits under Internal Revenue Code of 1986, 25.0% as grant, loan, or forgivable loan for projects that have already received loans or meet other requirements, and 15.0% as a grant or forgivable loan for properties that previously received tax credits under the Internal Revenue Code of 1986 or are the subject of an existing use restriction for previous tax credits, or receive an allocation cap through pass-through bond program; prohibits more than 15% from being allocated for projects in rural communities designated by the U.S. Department of Agriculture and Rural Development; designates unexpended funds as a work project appropriation.

Sec. 710. Student Aviation Center

Requires LEO to award funding for renovation of hangers used for the aviation program at Northwestern Michigan College and for acquisition of additional aircraft that would be used for instruction of student pilots.

NATURAL RESOURCES

Sec. 901. ARP – Lake Erie and Saginaw Bay Watershed Wetland Restoration, Enhancement, and Acquisition

Requires funding to be used for acquisition and rehabilitation of wetlands in the Lake Erie and Saginaw Bay watersheds to reduce nitrogen, phosphorus, or sediment in the water; authorizes funding to be granted to qualifying nongovernmental conservation organizations; requires expenditures to comply with provisions of the federal American Rescue Plan Act.

TRANSPORTATION

Sec. 1001. Economic Development Project

Requires MDOT to enter into a memorandum of understanding with the Michigan Strategic Fund, or the Marshall Area Economic Development Alliance, or both; states that the legislature finds and declares funding is to be used for a public purpose and to serve the health, safety, and general welfare of residents of the state; requires funds to be used to support Michigan Strategic Site Readiness program activities; prohibits use of funds to provide grants or other funds to a railroad company.

FY 2021-22 APPROPRIATION SUMMARY

Budget Area		FY 2021-22 Year-to-Date Appropriations	FY 2021-22 Supplemental Change	% Change
State Police	Gross	\$1,295,806,300	\$0	0.0
	GF/GP	\$632,689,300	\$0	0.0
TOTAL	Gross	\$1,295,806,300	\$0	0.0
	GF/GP	\$632,689,300	\$0	0.0

<u>FY 2021-22 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>
STATE POLICE	
1. Public Safety Academy Assistance Programs	Gross
Includes a net zero reappropriation of funding for public safety academy assistance programs in order to revise boilerplate provisions.	GF/GP
	\$0
	\$0

FY 2021-22 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 1201. State Spending and State Appropriations Paid to Local Units of Government

States amount of state spending from state sources in the bill and amount of state spending to be paid to local units of government.

Sec. 1202. Appropriations Subject to Management and Budget Act

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

STATE POLICE

Sec. 1401. Public Safety Academy Assistance Programs

Requires funding to be distributed by MCOLES or the Department of Treasury to provide grants of up to \$24,000 per applicant through a competitive program to provide recruit scholarships and salaries to local public safety department police cadets, on a first-come, first-serve basis, for applicants who satisfy the requirements and enroll in a police academy program; stipulates requirements that applicants must meet to receive a scholarship, including having been successfully screened by a local public safety department for MCOLES' selection and employment standards, having received an offer of employment, and enrolling in a basic law enforcement training academy; establishes a 25-scholarship cap for local public safety departments; authorizes MCOLES to use up to \$140,000 of the appropriation for administration; stipulates that any awards prior to this bill may be amended if both MCOLES and the grantee agree; designates unexpended funds as a work project appropriation.

REPEALERS

Sec. 1601. Repeal Public Safety Academy Assistance Programs

Repeals section 708 of Article 15 of 2022 PA 166 and replaces it with section 1401 of this bill.

Sec. 1602. Repeals Housing Gap Financing and Water Shutoff Prevention Fund

Repeals section 307, Housing Gap Financing and Affordable Housing language, and section 601, Water Shutoff Prevention Fund language, of 2023 PA 1.