

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4410**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies for the fiscal years ending September 30, 2021 and September 30, 2022; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

ARTICLE 1

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated to the department of treasury and for certain state purposes related to the appropriations for the fiscal year ending September 30, 2022, from the following funds:



1	<b>APPROPRIATION SUMMARY</b>	
2	<b>GROSS APPROPRIATION</b>	<b>\$ 1,412,735,300</b>
3	Interdepartmental grant revenues:	
4	Total interdepartmental grants and	
5	intradepartmental transfers	0
6	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 1,412,735,300</b>
7	Federal revenues:	
8	Total other federal revenues	0
9	Special revenue funds:	
10	Total local revenues	0
11	Total private revenues	0
12	Total other state restricted revenues	1,412,735,300
13	<b>State general fund/general purpose</b>	<b>\$ 0</b>
14	<b>Sec. 102. DEPARTMENT OF TREASURY</b>	
15	<b>(1) APPROPRIATION SUMMARY</b>	
16	<b>GROSS APPROPRIATION</b>	<b>\$ 1,412,735,300</b>
17	Interdepartmental grant revenues:	
18	Total interdepartmental grants and	
19	intradepartmental transfers	0
20	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 1,412,735,300</b>
21	Federal revenues:	
22	Total other federal revenues	0
23	Special revenue funds:	
24	Total local revenues	0
25	Total private revenues	0
26	Total other state restricted revenues	1,412,735,300
27	<b>State general fund/general purpose</b>	<b>\$ 0</b>
28	<b>(2) REVENUE SHARING</b>	



1	City, village, and township revenue sharing	\$	266,245,100
2	Constitutional state general revenue sharing		
3	grants		912,040,500
4	County incentive program		43,418,800
5	County revenue sharing		188,097,200
6	Financially distressed cities, villages, or		
7	townships		2,500,000
8	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>1,412,302,300</b>
9	Appropriated from:		
10	Special revenue funds:		
11	Sales tax		1,412,302,300
12	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
13	<b>(3) ONE-TIME APPROPRIATIONS</b>		
14	Coronavirus relief local governments grant		
15	reimbursement	\$	433,000
16	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>433,000</b>
17	Appropriated from:		
18	Special revenue funds:		
19	Sales tax		433,000
20	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2022 is



\$1,412,735,300.00 and total state spending from state sources to be paid to local units of government is \$1,412,735,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

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**DEPARTMENT OF TREASURY**

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City, village, and township revenue sharing	\$ 266,245,100
Constitutional state general revenue sharing grants	912,040,500
Coronavirus relief local governments grant reimbursement	433,000
County incentive program	43,418,800
County revenue sharing	188,097,200
Financially distressed cities, villages, or townships	2,500,000
<b>TOTAL</b>	<b>\$ 1,412,735,300</b>

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Sec. 202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this article, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within this article for the particular department, board, commission, office, or institution.

**REVENUE SHARING**



1       Sec. 301. The funds appropriated in part 1 for constitutional  
2 revenue sharing shall be distributed by the department of treasury  
3 to cities, villages, and townships, as required under section 10 of  
4 article IX of the state constitution of 1963. Revenue collected in  
5 accordance with section 10 of article IX of the state constitution  
6 of 1963 in excess of the amount appropriated in part 1 for  
7 constitutional revenue sharing is appropriated for distribution to  
8 cities, villages, and townships, on a population basis as required  
9 under section 10 of article IX of the state constitution of 1963.

10       Sec. 302. (1) The funds appropriated in part 1 for city,  
11 village, and township revenue sharing are for grants to cities,  
12 villages, and townships such that, subject to fulfilling the  
13 requirements under subsection (3), each city, village, or township  
14 that received a payment under section 952(1) of article 5 of 2020  
15 PA 166 is eligible to receive a payment equal to 102.0% of its  
16 total eligible payment under section 952(1) of article 5 of 2020 PA  
17 166, rounded to the nearest dollar. For purposes of this  
18 subsection, any city, village, or township that completely merges  
19 with another city, village, or township will be treated as a single  
20 entity, such that when determining the eligible payment under  
21 section 952(1) of article 5 of 2020 PA 166 for the combined single  
22 entity, the amount each of the merging local units was eligible to  
23 receive under section 952(1) of article 5 of 2020 PA 166 is summed.

24       (2) The funds appropriated in part 1 for the county incentive  
25 program are to be used for grants to counties such that each county  
26 is eligible to receive an amount equal to 20% of the amount  
27 determined pursuant to the Glenn Steil state revenue sharing act of  
28 1971, 1971 PA 140, MCL 141.901 to 141.921. The amount calculated  
29 under this subsection shall be adjusted as necessary to reflect



1 partial county fiscal years and prorated based on the total amount  
2 appropriated for distribution to all eligible counties. Except as  
3 otherwise provided under this subsection, payments under this  
4 subsection will be distributed to an eligible county subject to the  
5 county's fulfilling the requirements under subsection (3).

6 (3) For purposes of accountability and transparency, each  
7 eligible city, village, township, or county shall certify by  
8 December 1, or the first day of a payment month, that it has  
9 produced a citizen's guide of its most recent local finances,  
10 including a recognition of its unfunded liabilities; a performance  
11 dashboard; a debt service report containing a detailed listing of  
12 its debt service requirements, including, at a minimum, the  
13 issuance date, issuance amount, type of debt instrument, a listing  
14 of all revenues pledged to finance debt service by debt instrument,  
15 and a listing of the annual payment amounts until maturity; and a  
16 projected budget report, including, at a minimum, the current  
17 fiscal year and a projection for the immediately following fiscal  
18 year. The projected budget report shall include revenues and  
19 expenditures and an explanation of the assumptions used for the  
20 projections. Each eligible city, village, township, or county shall  
21 include in any mailing of general information to its citizens the  
22 internet website address location for its citizen's guide,  
23 performance dashboard, debt service report, and projected budget  
24 report or the physical location where these documents are available  
25 for public viewing in the city, village, township, or county  
26 clerk's office. Each city, village, township, and county applying  
27 for a payment under this subsection shall submit a copy of the  
28 performance dashboard, a copy of the debt service report, and a  
29 copy of the projected budget report to the department of treasury.



1 In addition, each eligible city, village, township, or county  
2 applying for a payment under this subsection shall either submit a  
3 copy of the citizen's guide or certify that the city, village,  
4 township, or county will be utilizing the department of treasury's  
5 online citizen's guide. The department of treasury shall develop  
6 detailed guidance for a city, village, township, or county to  
7 follow to meet the requirements of this subsection. The detailed  
8 guidance shall be posted on the department of treasury website and  
9 distributed to cities, villages, townships, and counties by October  
10 1.

11 (4) City, village, and township revenue sharing payments and  
12 county incentive program payments are subject to the following  
13 conditions:

14 (a) The city, village, township, or county shall certify to  
15 the department that it has met the required criteria for subsection  
16 (3) and submitted the required citizen's guide, performance  
17 dashboard, debt service report, and projected budget report as  
18 required by subsection (3). A department of treasury review of the  
19 citizen's guide, dashboard, or reports is not required in order for  
20 a city, village, township, or county to receive a payment under  
21 subsection (1) or (2). The department shall develop a certification  
22 process and method for cities, villages, townships, and counties to  
23 follow.

24 (b) Subject to subdivisions (c), (d), and (e), if a city,  
25 village, township, or county meets the requirements of subsection  
26 (3), the city, village, township, or county shall receive its full  
27 potential payment under this section.

28 (c) Cities, villages, and townships eligible to receive a  
29 payment under subsection (1) shall receive 1/6 of their eligible



1 payment on the last business day of October, December, February,  
2 April, June, and August. Payments under subsection (1) shall be  
3 issued to cities, villages, and townships until the specified due  
4 date for subsection (3). After the specified due date for  
5 subsection (3), payments shall be made to a city, village, or  
6 township only if that city, village, or township has complied with  
7 subdivision (a).

8 (d) Payments under subsection (2) shall be issued to counties  
9 until the specified due date for subsection (3). After the  
10 specified due date for subsection (3), payments shall be made to a  
11 county only if that county has complied with subdivision (a).

12 (e) If a city, village, township, or county does not submit  
13 the required certification, citizen's guide, performance dashboard,  
14 debt service report, and projected budget report by the first day  
15 of a payment month, the city, village, township, or county shall  
16 forfeit the payment in that payment month.

17 (f) Any city, village, township, or county that falsifies  
18 certification documents shall forfeit any future city, village, and  
19 township revenue sharing payments or county incentive program  
20 payments and shall repay to this state all payments it has received  
21 under this section.

22 (g) City, village, and township revenue sharing payments and  
23 county incentive program payments under this section shall be  
24 distributed on the last business day of October, December,  
25 February, April, June, and August.

26 (h) Payments distributed under this section may be withheld  
27 pursuant to sections 17a and 21 of the Glenn Steil state revenue  
28 sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

29 (5) The unexpended funds appropriated in part 1 for city,





1 village, and township revenue sharing and the county incentive  
2 program shall be available for expenditure under the program for  
3 financially distressed cities, villages, or townships after the  
4 approval of transfers by the legislature pursuant to section 393(2)  
5 of the management and budget act, 1984 PA 431, MCL 18.1393.

6 (6) Any city, village, or township eligible to receive a  
7 payment under subsection (1) and determined to have a retirement  
8 pension benefit system in underfunded status under section 5 of the  
9 protecting local government retirement and benefits act, 2017 PA  
10 202, MCL 38.2805, must allocate an amount equal to its current year  
11 eligible payment under subsection (1) less the sum of its eligible  
12 payment for city, village, and township revenue sharing in 2019 PA  
13 56 to its pension unfunded liability. A city, village, or township  
14 that has issued a municipal security under section 518 of the  
15 revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt  
16 from this requirement.

17 Sec. 303. (1) The funds appropriated in part 1 for county  
18 revenue sharing shall be distributed by the department of treasury  
19 so that each eligible county receives a payment equal to 106.6435%  
20 of the amount determined pursuant to the Glenn Steil state revenue  
21 sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, less the  
22 amount for which the county is eligible under section 302(2) of  
23 this part. The amount calculated under this subsection shall be  
24 adjusted as necessary to reflect partial county fiscal years and  
25 prorated based on the total amount appropriated for distribution to  
26 all eligible counties.

27 (2) The department of treasury shall annually certify to the  
28 state budget director the amount each county is authorized to  
29 expend from its revenue sharing reserve fund.



1 (3) Any county eligible to receive a payment under subsection  
2 (1) and determined to have a retirement pension benefit system in  
3 underfunded status under section 5 of the protecting local  
4 government retirement and benefits act, 2017 PA 202, MCL 38.2805,  
5 must allocate an amount equal to the sum of its current year  
6 eligible payment for county revenue sharing and the county  
7 incentive program less the sum of its 2019 PA 56 eligible payment  
8 for county revenue sharing and the county incentive program to its  
9 pension unfunded liability. A county that has issued a municipal  
10 security under section 518 of the revised municipal finance act,  
11 2001 PA 34, MCL 141.2518, is exempt from this requirement.

12 Sec. 304. (1) The funds appropriated in part 1 for financially  
13 distressed cities, villages, or townships shall be granted by the  
14 department of treasury to cities, villages, and townships that have  
15 1 or more conditions that indicate probable financial distress, as  
16 determined by the department of treasury. A city, village, or  
17 township with 1 or more conditions that indicate probable financial  
18 distress may apply in a manner determined by the department of  
19 treasury for a grant to pay for specific projects or services that  
20 move the city, village, or township toward financial stability.  
21 Grants are to be used for specific projects or services that move  
22 the city, village, or township toward financial stability. The  
23 city, village, or township must use the grants under this section  
24 to make payments to reduce unfunded accrued liability; to repair or  
25 replace critical infrastructure and equipment owned or maintained  
26 by the city, village, or township; to reduce debt obligations; or  
27 for costs associated with a transition to shared services with  
28 another jurisdiction; or to administer other projects that move the  
29 city, village, or township toward financial stability. The



1 department of treasury shall award no more than \$2,000,000.00 to  
2 any city, village, or township under this section.

3 (2) The department of treasury shall provide a report to the  
4 senate and house of representatives appropriations subcommittees on  
5 general government, the senate and house fiscal agencies, and the  
6 state budget director by March 31. The report shall include a list  
7 by grant recipient of the date each grant was approved, the amount  
8 of the grant, and a description of the project or projects that  
9 will be paid by the grant.

10 (3) The unexpended funds appropriated in part 1 for  
11 financially distressed cities, villages, or townships are  
12 designated as a work project appropriation, and any unencumbered or  
13 unallotted funds shall not lapse at the end of the fiscal year and  
14 shall be available for expenditure for projects under this section  
15 until the projects have been completed. The following is in  
16 compliance with section 451a of the management and budget act, 1984  
17 PA 431, MCL 18.1451a:

18 (a) The purpose of the project is to provide assistance to  
19 financially distressed cities, villages, and townships under this  
20 section.

21 (b) The projects will be accomplished by grants to cities,  
22 villages, and townships approved by the department of treasury.

23 (c) The total estimated cost of all projects is \$2,500,000.00.

24 (d) The tentative completion date is September 30, 2026.

25 Sec. 305. The funds in part 1 for coronavirus relief local  
26 government grants reimbursement shall be used to make payments to  
27 cities, villages, townships, and counties that received a  
28 coronavirus relief local government grant in 2020 PA 144 and  
29 subsequently returned at least some portion of the grant. The



payments shall be made by the department of treasury to each local unit of government in the same amount that each local unit of government returned the coronavirus relief local government grants.

ARTICLE 2  
SUPPLEMENTAL APPROPRIATIONS  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2020-2021

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2021, from the following funds:

**APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>262,700,000</b>
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>262,700,000</b>
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Federal revenues:

Total other federal revenues		262,700,000
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Special revenue funds:

Total local revenues		0
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Total private revenues		0
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Total other state restricted revenues		0
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<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
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**Sec. 102. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**



1	<b>GROSS APPROPRIATION</b>	\$	260,000,000
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and		
4	intradepartmental transfers		0
5	<b>ADJUSTED GROSS APPROPRIATION</b>	\$	260,000,000
6	Federal revenues:		
7	Total other federal revenues		260,000,000
8	Special revenue funds:		
9	Total local revenues		0
10	Total private revenues		0
11	Total other state restricted revenues		0
12	<b>State general fund/general purpose</b>	\$	0
13	<b>(2) ONE-TIME APPROPRIATIONS</b>		
14	Hospital COVID-19 grants	\$	160,000,000
15	Long-term care facility supports		100,000,000
16	<b>GROSS APPROPRIATION</b>	\$	260,000,000
17	Appropriated from:		
18	Federal revenues:		
19	Coronavirus state fiscal recovery fund		260,000,000
20	<b>State general fund/general purpose</b>	\$	0
21	<b>Sec. 103. DEPARTMENT OF STATE POLICE</b>		
22	<b>(1) APPROPRIATION SUMMARY</b>		
23	<b>GROSS APPROPRIATION</b>	\$	2,700,000
24	Interdepartmental grant revenues:		
25	Total interdepartmental grants and		
26	intradepartmental transfers		0
27	<b>ADJUSTED GROSS APPROPRIATION</b>	\$	2,700,000
28	Federal revenues:		



1	Total other federal revenues	2,700,000
2	Special revenue funds:	
3	Total local revenues	0
4	Total private revenues	0
5	Total other state restricted revenues	0
6	<b>State general fund/general purpose</b>	<b>\$ 0</b>
7	<b>(2) SPECIALIZED SERVICES</b>	
8	Secondary road patrol program	\$ 2,700,000
9	<b>GROSS APPROPRIATION</b>	<b>\$ 2,700,000</b>
10	Appropriated from:	
11	Federal revenues:	
12	Coronavirus state fiscal recovery fund	2,700,000
13	<b>State general fund/general purpose</b>	<b>\$ 0</b>

## PART 2

PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2020-2021

**GENERAL SECTIONS**

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2021 is \$0.00 and total state spending from state sources to be paid to local units of government is \$0.00.

Sec. 1202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.



1       Sec. 1203. If the state administrative board, acting under  
2       section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount  
3       appropriated under this article, the legislature may, by a  
4       concurrent resolution adopted by a majority of the members elected  
5       to and serving in each house, inter-transfer funds within this  
6       article for the particular department, board, commission, office,  
7       or institution.

8       Sec. 1204. Funds appropriated in part 1 are subject to  
9       applicable federal audit and reporting requirements. Prompt action  
10      shall be taken if instances of noncompliance are identified,  
11      including noncompliance identified in an audit finding. If any  
12      instance of noncompliance is identified, including noncompliance  
13      identified in an audit finding, the state budget director shall  
14      take necessary and immediate action to rectify it. The state budget  
15      director shall notify the senate and house appropriations  
16      committees and the senate and house fiscal agencies when an  
17      instance of noncompliance is identified.

18      Sec. 1205. The state budget director shall report on the  
19      status of funds appropriated in part 1, and all funds appropriated  
20      related to the coronavirus relief effort, to the senate and house  
21      appropriations committees and the senate and house fiscal agencies  
22      on a monthly basis until all funds are exhausted.

23  
24      **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

25      Sec. 1301. From the funds appropriated in part 1 for hospital  
26      COVID-19 grants, the department of health and human services shall  
27      provide grants to hospitals in this state to help cover increased  
28      hospital costs and reduced hospital revenue related to the COVID-19  
29      pandemic. The grant to each hospital shall equal each hospital's



1 percentage of total state Medicaid inpatient claims revenue,  
2 including Medicaid managed care inpatient claims revenue, in the  
3 most recent 12 months for which the information is available  
4 multiplied by the appropriation for hospital COVID-19 grants in  
5 part 1.

6 Sec. 1302. (1) From the funds appropriated in part 1 for long-  
7 term care facility supports, the department of health and human  
8 services shall allocate \$100,000,000.00 to provide a \$23.00 per  
9 Medicaid day increase to nursing facilities that have experienced a  
10 5% or greater decline in the nursing facility's average daily  
11 census during the last 3 calendar quarters of the fiscal year  
12 ending September 30, 2021 when compared to the nursing facility's  
13 average daily census as reported in the nursing facility's 2019  
14 Medicaid cost report. A nursing facility may be eligible for  
15 reimbursement for 1 or all 3 calendar quarters based on each  
16 nursing facility's change in average daily census by calendar  
17 quarter.

18 (2) Each nursing facility may request from the department of  
19 health and human services the additional \$23.00 per Medicaid day  
20 increase at the end of each calendar quarter. The request must  
21 include the average daily census as reported on the applicable 2019  
22 Medicaid cost report based on total licensed beds, the actual  
23 applicable calendar quarter's average daily census, and a detailed  
24 weekly average daily census for the calendar quarter. The  
25 department of health and human services may request additional  
26 documentation to verify census. The request must also include the  
27 number of Medicaid days of care rendered for the applicable 2021  
28 calendar quarter, including Medicaid integrated care organization  
29 days and healthy Michigan plan days.





1           (3) After receiving the request with all of the applicable  
2 information, the department of health and human services must remit  
3 payment to the nursing facility within 14 days. The department must  
4 reconcile payments under this section by no sooner than 92 days  
5 after September 30, 2021. As a condition of receiving funds  
6 appropriated in this section, the nursing facility must agree to  
7 any appropriate payment or recovery action for any over or under  
8 payment disclosed from this reconciliation process, and the  
9 department of health and human services must report to each nursing  
10 facility whether this reconciliation process identified any over or  
11 under payments.