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House Bill 4398 (as enacted)
Sponsor: Representative Greg VanWoerkom
House Committee: Appropriations
Senate Committee: Appropriations

PUBLIC ACT 133 of 2021

Date Completed: 12-21-21

CONTENT

The supplemental would make appropriations of \$116.8 million Gross, \$1.0 million General Fund/General Purpose (GF/GP) for fiscal year (FY) 2020-21 to reflect final bookclosing adjustments. These adjustments include \$35.0 million GF/GP in the Department of Health and Human Services (DHHS) to replace an identical amount of overstated Federal Title IV-E revenue in various lines, \$35.0 million Gross and GF/GP lapses in DHHS to offset the Title IV-E costs, \$140.0 million Gross and Federal for emergency and disaster response, and \$3.5 million Gross and Restricted for snowmobile trail development. These adjustments by and large reflect supplemental letter 2021-11, released by the State Budget Office (SBO) on November 19, 2021.

The bill also would appropriate \$724.8 million Gross and \$70.2 million GF/GP for FY 2021-22, with most of that money reflecting Federal grants provided to the State in response to the COVID-19 pandemic. This funding includes many of the items from SBO supplemental letter 2022-1, released on November 19, 2021. Among the larger items are \$10.0 million Gross and Federal for the GEER II teacher talent pipeline, \$140.0 million Gross and Federal for emergency rental assistance, \$150.0 million Gross and Federal for school COVID-19 testing kits, \$47.1 million Gross and Federal for the substance abuse block grant, \$19.7 million Gross and Federal for the mental health block grant, \$14.2 million Gross and Federal for long-term care strike teams, \$10.8 million Gross and Federal for refugee services, \$193.2 million Gross and Federal for the Department of Transportation, with a particular focus on financial support for airports, \$36.3 million Gross and GF/GP to combat environmental health threats with a particular focus on lead, and \$22.0 million Gross and GF/GP for a variety of grants to specific entities.

Tables 1 and 2 summarize the Gross and GF/GP funding by department in the supplemental for the two fiscal years.

Table 1

FY 2020-21 Supplemental Appropriations				
Budget Area	Gross	Federal	Other	GF/GP
Agric/Rural Develop.	\$190,000	\$0	\$190,000	\$0
DEGLE	0	(147,200)	147,200	0
Health/Hum Svcs	(32,297,900)	(35,000,000)	2,702,100	0
Natural Resources	4,500,000	0	3,500,000	1,000,000
State Police	144,400,000	140,000,000	4,400,000	0
TOTAL	\$116,792,100	\$104,852,800	\$10,939,300	\$1,000,000

Table 2

FY 2021-22 Supplemental Appropriations				
Budget Area	Gross	Federal	Other	GF/GP
Agric./Rural Develop.	\$125,000	\$0	\$125,000	\$0
Education	16,000,000	10,000,000	0	6,000,000
DEGLE	0	0	100	(100)
Health/Hum Svcs	325,395,400	279,841,200	5,000,000	40,554,200
Labor/Econ. Opp.	176,324,300	151,698,400	2,674,900	21,951,000
State Police	6,956,000	2,556,000	4,400,000	0
Technology/Mgt/Budget	6,800,000	5,000,000	100,000	1,700,000
Transportation	193,236,300	193,236,300	0	0
TOTAL	\$724,837,000	\$642,331,900	\$12,300,000	\$70,205,100

FISCAL IMPACT

The bill provides FY 2020-21 line-item appropriations of \$116.8 million Gross and \$1.0 million GF/GP. As noted in "**CONTENT**", the FY 2020-21 adjustments are tied to bookclosing issues, with the most notable item being the \$35.0 million use of GF/GP to supplant overstated Federal Title IV-E revenue and the recognition of a total \$35.0 million in GF/GP lapse savings in the DHHS in the Food Assistance Reinvestment, Child Care Fund, and Community Mental Health non-Medicaid Services lines to offset the Title IV-E fund shift costs. The SBO has indicated that this overstatement is an ongoing issue so it is likely that there will be a proposed adjustment for FY 2021-22 of a similar magnitude. The FY 2020-21 portion also includes a large adjustment in the Department of State Police for emergency and disaster response.

The FY 2021-22 portion of the bill includes line-item appropriations of \$724.8 million Gross and \$70.2 million GF/GP. These adjustments include numerous Federal grants recommended by the SBO, but many of the items in SBO letter 2022-1 (such as lab capacity and vaccine support) are not included. The funding also includes GF/GP funding for environmental health threats (\$36.3 million), State match for Federal aging grants (\$3.6 million), \$5.0 million for a pediatric psychiatric unit at DeVos Children's Hospital (\$5.0 million), \$9.0 million to support the North American International Auto Show, \$1.0 million to a convention center in St. Clair County, and other grants.

See [Tables 3](#) and [4](#) for a list of items funded in the supplemental.

FY 2021-22 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 204. General. Directs that appropriated funds are subject to Federal audit and reporting requirements. Requires prompt action if instances of noncompliance are identified and directs

the State Budget Director to rectify any noncompliance issues and to inform the Appropriations Committees and fiscal agencies in the case of noncompliance.

Sec. 205. General. Requires a monthly report by the State Budget Director on the status of funds appropriated in part 1, including funds used for COVID-19-related issues, to the Legislature.

Sec. 301. Education. Allocates the \$10.0 million in the GEER II – teacher talent pipeline line item to grants to Teach for America. Requires the funding to be used to recruit and retain high performing educators in the 2022-2023 school year to help address shortages of educators in at-risk school districts, to address teacher talent pipeline shortages related to the COVID-19 pandemic, and to work with evaluators to provide best practices to scale programs statewide. Requires the program to have mechanisms in place to quickly upscale operations to three additional districts and not charge teachers or prospective teachers a fee or tuition to participate. Creates a work project for the appropriation.

Sec. 302. Education. Allocates \$5.8 million in the PRIME schools line to the SME Education Foundation's Partnership Response Initiative to provide high schools with engineering/manufacturing programs. Allocates up to \$200,000 to fill one FTE position to administer the program.

Sec. 401. Health and Human Services. States intent of Legislature that part 1 appropriations for Child and Adolescent Health Care and Centers are intended to support primary health care services for those up to age 21. States intent that funds be spent in a form and manner determined by the Departments of Health and Human Services and Education.

Sec. 402. Health and Human Services. Requires the DHHS to use the appropriation in part 1 for ARP – Epidemiology and Lab Capacity School Safety to purchase and maintain an inventory of coronavirus testing and contact tracing supplies, including home test kits to distribute to school entities including school districts, public school academics, intermediate school districts, and nonpublic schools. Requires that the items be used for coronavirus testing and contract tracing for staff and students, regardless of vaccine status, as determined by the school entity. Requires the DHHS, within 15 days after the bill's effective date, to inform potential recipients of the items of the option not to receive the items directly and to notify them how they may opt out, as well as the maximum amount of financial reimbursement each recipient could receive based on an equitable headcount calculation. If a potential recipient opts out within 10 business days after the bill's effective date, it may request direct financial reimbursement to cover the costs of the items that otherwise would be supplied under the bill. Potential recipients that opt out may purchase those items either directly from the DHHS or from another source. Requires the DHHS to provide financial reimbursement to potential recipients who opt out within 30 days of the request. Requires the DHHS to maintain an online list of all known acceptable options for the items covered under the section. Requires the DHHS to collaborate with the Department of Education to implement the section. Bars State and local government entities from confiscating or redistributing coronavirus testing and contract tracing supplies and equipment, including home test kits, from an eligible school district, public school academy, intermediate school district, or nonpublic school without that entity's consent. Requires the DHHS to collaborate with the Michigan Association of Intermediate School Administrators (MAISA) to establish procedures for the as-needed redistribution of testing and tracing items from school entities. Requires MAISA to coordinate the redistribution of those items based on need and after receiving consent from the school entity affected. Limits MAISA administrative and logistical costs to 1.0% of the funds appropriated in the line item or the actual costs, whichever is less. States that school entities are permitted to send testing and tracing items to other school entities voluntarily.

Sec. 403. Health and Human Services. Directs that the \$1.2 million part 1 appropriation for Behavioral Health Substance Use Disorder Pilot be used to fund an online and interactive version of the protected health information consent tool and to make revisions to that tool. Requires the grantee to have experience in developing prescription digital therapeutics for those with substance use disorders. Requires grantee to develop trainings and resources and to work closely with the DHHS and its vendors to implement the substance use disorder health information technology plan approved under the relevant Federal demonstration waiver. As part of that work, requires the grantee to work with the Michigan Health Information Network and the DHHS to develop technical specifications to integrate the tool with other systems and applications.

Sec. 404. Health and Human Services. Directs the DHHS to use the part 1 funding for Lab Capacity Nursing Home and Long-Term Care Strike Teams to recruit qualified out-of-state individuals to staff a nursing home and to create a long-term care strike team to assist long-term care facilities that experience a temporary staffing shortage.

Sec. 405. Health and Human Services. Directs that part 1 funding for COVID-19 Substance Abuse Prevention and Treatment Block Grant be used, to the extent possible, to provide funding to local public entities that provide substance use disorder services and to one private entity that has a statewide contract to provide community-based substance use disorder services.

Sec. 406. Health and Human Services. Directs that part 1 funding for Federal Mental Health Block Grant be used, to the extent possible, to provide funding to local public entities that provide mental health services and to one private entity that has a statewide contract to provide community-based mental health services.

Sec. 407. Health and Human Services. Directs that funding in part 1 for Injury Control Intervention – Traumatic Brain Injury be used to implement a software package to aid in the treatment of traumatic brain injury. Language serves as a rewrite of Sec. 1971 in the FY 2021-22 DHHS budget to specifically reference that the funding go to the same vendor that received funding for a similar purpose in FY 2018-19. Creates a work project for the appropriation.

Sec. 408. Health and Human Services. Allocates \$100,000 to Common Ground, an Oakland County mental health crisis services provider, to help cover that entity's costs of providing mental health crisis services subsequent to the school shooting at Oxford High School.

Sec. 501. Labor and Economic Opportunity. Allocates \$3.75 million in funding from the At-Risk Youth Grants line item to the Michigan franchise holder of the National Jobs for America's Graduates program and requires that not more than \$1.0 million be allocated to leverage non-State contributions to the same entity. Effectively rewrites Sec. 1071 of Article 5 of Public Act 87 of 2021 (the FY 2021-22 Department of Labor and Economic Opportunity (LEO) budget) to allow \$1.0 million previously allocated to leverage private contributions to be allocated to leverage non-State contributions.

Sec. 502. Labor and Economic Opportunity. Directs that part 1 funding in the ARP – Arts and Cultural Programs line be appropriated to support programming and general operating expenses to cover up to 100% of the programs that the grants support to prevent, prepare for, respond to, and recover from the COVID-19 pandemic, with a priority on opening for in-person activities.

Sec. 503. Labor and Economic Opportunity. Directs that the part 1 appropriation for COVID-19 Emergency Rental Assistance be directed to LEO and to be administered by terms

set in the Federal American Rescue Plan Act. Requires LEO to collaborate with the DHHS, the Judiciary, local community action agencies, local nonprofit agencies, and legal aid organizations to operate an emergency rental and utility assistance program. Directs that the program operate in accordance with Federal rules and guidance to serve households with rental and utility assistance to preserve housing and avoid eviction. Limits eligibility to households that provide documentation that they were facing back rent before the bill's effective date, provide a copy of a State ID or passport for proof of residency in Michigan, and provide documentation of proof of earned and unearned income for all adult household members who live at the property. Directs that rental assistance be paid directly to the landlord unless the landlord is unwilling to complete the application process, in which case the funding must be paid to the tenant. Requires that, if the funding is paid to the tenant, the tenant certify that he or she will pay the landlord within five days after receiving the funding. Requires LEO to establish a process to verify that landlords have received payments. Directs that landlords who are unwilling to complete the application process are not obligated to accept payments from tenants who receive COVID-19 emergency rental assistance directly. Bars the use of funds for rent owed for occupancies after September 30, 2022. Requires LEO to submit a request to the United States Department of Treasury to allow Michigan to require eligible households to comply with additional eligibility requirements related to a tenant's employment status, acceptance of employment counsel, job training, or other employment services. Requires LEO to report to the Legislature by March 15, 2022, data on the earned and unearned income status of individuals served by the program as well as self-employment status and data on the number of percentage without income and other income-related data.

Sec. 504. Labor and Economic Opportunity. Directs that funding from the One-Time Grants line be allocated as follows: 1) \$1.0 million for Making It Happen, a nonprofit entity in the City of Detroit, to be used to improve and sustain technology and music programs within urban school districts and community-based organizations; 2) \$951,000 to the City of Hudsonville for road renovation and realignment projects; 3) \$5.0 million to convert the 10th floor of DeVos Children's Hospital to a 12-bed pediatric psychiatric unit for pediatric psychiatric patients who also have physical health needs; 4) \$2.5 million for the expansion of pediatric autism treatment beds in Kalamazoo County; 5) \$2.5 million for a Community Mental Health crisis stabilization unit and clinic in Allegan County; 6) \$9.0 million to support the North American International Auto Show; and 7) \$1.0 million to a convention center in St. Clair County.

Sec. 601. Military and Veterans Affairs. Permits the State to appropriate private revenue held on a nonfiduciary basis for a member to pay medical expenses, member assessments, and other expenses incurred by that member.

Sec. 701. Natural Resources. Appropriates State Restricted funds dollars up to a specific amount from a variety of funds to the Department of Technology, Management, and Budget, the Department of Attorney General, the Legislative Auditor General, the Department of Treasury, and the Civil Service Commission. This section would update Sec. 223 of Article 11 of Public Act 87 of 2021 (the FY 2021-22 Department of Natural Resources budget).

Sec. 801. Technology, Management, and Budget. Directs that part 1 funding for Coronavirus Response Activities be allocated by the Department of Technology, Management, and Budget for those activities. Permits the use of funds to support the COVID-19 Office of Accountability.

Sec. 901. Treasury. Directs that any money remaining in the Fantasy Contest Fund, the Internet Gaming Fund, and the Internet Sports Betting Fund after statutory expenditures are made be deposited into the State School Aid Fund.

Sec. 902. Treasury. Directs that money granted or received as gifts and donations to the Fostering Futures Scholarship Trust Fund be appropriated for expenditure for the purposes of the Foster Futures Scholarship program.

Enacting Section 1. Repeals Sec. 1071 of Article 5 of Public Act 87 of 2021, which governs the At-Risk Youth Grants line. The section effectively would be rewritten in Sec. 501 of the bill.

Enacting Section 2. Repeals Sec. 1971 of Article 6 of Public Act 87 of 2021, which governs payments to support software for Traumatic Brain Injury services. The section would be effectively rewritten in Sec. 407 of the bill to provide more specificity on the vendor. See description of Sec. 407.

Enacting Section 3. Repeals Sec. 1965 of Article 6 of Public Act 87 of 2021, which funded the Behavioral Health Patient Information Technology Tool Grant line item in the FY 2021-22 budget. The supplemental would remove this funding.

Enacting Section 4. Repeals Sec. 223 of Article 11 of Public Act 87 of 2021, which governs the distribution of Department of Natural Resources Restricted funds to various departments. The section effectively would be rewritten in Sec. 701 of this bill.

FY 2020-21 BOILERPLATE LANGUAGE SECTIONS-PART 2A

Sec. 1201. General. Records amount of total State spending and payments to local units of government.

Sec. 1202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 1203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 1301. Agriculture and Rural Development. Directs that part 1A funding for the Horse Racing Advisory Commission be carried forward at the end of FY 2020-21.

Sec. 1401. Military and Veterans Affairs. Permits the State to appropriate private revenue held on a nonfiduciary basis for a member to pay medical expenses, member assessments, and other expenses incurred by that member.

Sec. 1501. Natural Resources. Designates the part 1A appropriation for Legal Services as a work project.

Sec. 1502. Natural Resources. Directs that part 1A appropriations for Snowmobile Trail Development and Maintenance be carried forward at the end of the fiscal year consistent with Section 248 of the Management and Budget Act.

Sec. 1601. Treasury. Directs that any money remaining in the Fantasy Contest Fund, the Internet Gaming Fund, and the Internet Sports Betting Fund after statutory expenditures are made be deposited into the State School Aid Fund.

Sec. 1602. Treasury. Directs that money granted or received as gifts and donations to the Fostering Futures Scholarship Trust Fund be appropriated for expenditure for the purposes of the Foster Futures Scholarship program.

Table 3

FY 2020-21 Supplemental Appropriations				
Department/Program	Gross	Federal	Other	GF/GP
Agriculture and Rural Development				
Horse racing advisory commission	\$190,000	\$0	\$190,000	\$0
Total Agriculture and Rural Development	\$190,000	\$0	\$190,000	\$0
Environment, Great Lakes, and Energy				
Federal/Restricted fund source shift	\$0	(\$147,200)	\$147,200	\$0
Total Environment, Great Lakes, and Energy	\$0	(\$147,200)	\$147,200	\$0
Health and Human Services				
Private grants to support behavioral health initiatives	\$1,900,000	\$0	\$1,900,000	\$0
Increased IDG from DEGLE for fish and bioterror issues	802,100	0	802,100	0
Food assistance reinvestment lapse	(15,000,000)	0	0	(15,000,000)
Child care fund lapse	(10,000,000)	0	0	(10,000,000)
CMH non-Medicaid lapse	(10,000,000)	0	0	(10,000,000)
Replace Title IV-E shortfall with GF/GP	0	(35,000,000)	0	35,000,000
Total Health and Human Services	(\$32,297,900)	(\$35,000,000)	\$2,702,100	\$0
Natural Resources				
Legal services	\$1,000,000	\$0	\$0	\$1,000,000
Snowmobile trail development and maintenance	3,500,000	0	3,500,000	0
Total Natural Resources	\$4,500,000	\$0	\$3,500,000	\$1,000,000
State Police				
Coronavirus relief fund fund source shifts (net \$0)	\$0	\$0	\$0	\$0
Criminal justice information center	4,400,000	0	4,400,000	0
Emergency and disaster response and mitigation	140,000,000	140,000,000	0	0
Total State Police	\$144,400,000	\$140,000,000	\$4,400,000	\$0
Total FY 2020-21 Supplemental Appropriations	\$116,792,100	\$104,852,800	\$10,939,300	\$1,000,000

Table 4

FY 2021-22 Supplemental Appropriations

Department/Program	Gross	Federal	Other	GF/GP
Agriculture and Rural Development				
Horse racing advisory commission	\$125,000	\$0	\$125,000	\$0
Total Agriculture and Rural Development	\$125,000	\$0	\$125,000	\$0
Education				
GEER II teacher talent pipeline (Teach for America)	\$10,000,000	\$10,000,000	\$0	\$0
PRIME schools (1.0 FTE)	6,000,000	0	0	6,000,000
Total Education	\$16,000,000	\$10,000,000	\$0	\$6,000,000
Environment, Great Lakes, and Energy				
Create contaminated site cleanup contingency reserve	\$0	\$0	\$100	(\$100)
Total Environment, Great Lakes, and Energy	\$0	\$0	\$100	(\$100)
Health and Human Services				
Pandemic electronic benefit transfer program	\$3,300,000	\$3,300,000	\$0	\$0
Child and adolescent health care centers Local funding	5,000,000	0	5,000,000	0
State match for aging/adult services Federal grants	3,554,200	0	0	3,554,200
ARP - data modernization grant	3,300,000	3,300,000	0	0
ARP - genomic sequencing grant	6,386,600	6,386,600	0	0
ARP - school safety grant	150,000,000	150,000,000	0	0
ARP - grant to confinement facilities	19,880,000	19,880,000	0	0
ARP - homeless service sites and congregate living grant	1,439,300	1,439,300	0	0
ARP - home visiting programs	893,200	893,200	0	0
COVID-19 elder justice grant	2,629,800	2,629,800	0	0
COVID-19 healthcare infection and AR program	9,860,300	9,860,300	0	0
COVID-19 long-term care strike teams	14,175,900	14,175,900	0	0
COVID-19 epidemiology/lab capacity special projects	649,400	649,400	0	0
COVID-19 housing opportunities for people with AIDS	549,100	549,100	0	0
Substance use disorder block grant	47,124,700	47,124,700	0	0
Mental health block grant	19,652,900	19,652,900	0	0
Mental health crisis services in Oxford	100,000	0	0	100,000
Environmental health threats response	36,300,000	0	0	36,300,000
Traumatic brain injury pilot negative/positive	0	0	0	0
Removal of behavioral health patient IT tool grant	(600,000)	0	0	(600,000)
Substance use disorder therapeutics pilot	1,200,000	0	0	1,200,000
Total Health and Human Services	\$325,395,400	\$279,841,200	\$5,000,000	\$40,554,200
Labor and Economic Opportunity				
Emergency rental assistance	\$140,000,000	\$140,000,000	\$0	\$0
Arts and cultural programs	892,400	892,400	0	0
Office of Global Michigan	10,575,000	10,456,000	119,000	0
Shift 1.0 FTE for Women's Commission (\$124,200)	0	0	0	0
Federal and Private grants for Women's Commission	2,500,000	350,000	2,150,000	0
Michigan community service commission private funds	55,900	0	55,900	0
State historic preservation office fee revenue	350,000	0	350,000	0
At-risk youth grants negative/positive	0	0	0	0
Grant to Detroit non-profit for tech/music education	1,000,000	0	0	1,000,000
Hudsonville road renovation/realignment projects	951,000	0	0	951,000
DeVos Children's Hospital pediatric psych beds	5,000,000	0	0	5,000,000
Pediatric autism treatment beds in Kalamazoo County	2,500,000	0	0	2,500,000
Mental health crisis stabiliz. unit in Allegan County	2,500,000	0	0	2,500,000
North American International Auto Show support	9,000,000	0	0	9,000,000
Convention center in St Clair County	1,000,000	0	0	1,000,000
Total Labor and Economic Opportunity	\$176,324,300	\$151,698,400	\$2,674,900	\$21,951,000

State Police				
Criminal justice information center	\$4,400,000	\$0	\$4,400,000	\$0
COVID-19 emergency management performance grants	2,556,000	2,556,000	0	0
Total State Police	\$6,956,000	\$2,556,000	\$4,400,000	\$0
Technology, Management, and Budget				
Private grant to support career explorer tools	\$100,000	\$0	\$100,000	\$0
Coronavirus response activities	5,000,000	5,000,000	0	0
PPE warehouse stockpiling	1,700,000	0	0	1,700,000
Total Technology, Management, and Budget	\$6,800,000	\$5,000,000	\$100,000	\$1,700,000
Transportation				
ARP airport grant - general aviation	\$2,799,000	\$2,799,000	\$0	\$0
ARP airport grant - primary airports	168,878,500	168,878,500	0	0
ARP enhanced mobility seniors/disabled	803,900	803,900	0	0
ARP rural areas	20,754,900	20,754,900	0	0
Total Transportation	\$193,236,300	\$193,236,300	\$0	\$0
Total FY 2021-22 Supplemental Appropriations	\$724,837,000	\$642,331,900	\$12,300,000	\$70,205,100

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.