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Senate Bill 714 (Substitute S-1)
Sponsor: Senator Mike Shirkey
Senate Committee: Appropriations (discharged)

Date Completed: 3-2-22

CONTENT

The supplemental would make appropriations of \$539.1 million Gross, \$17.5 million General Fund/General Purpose (GF/GP) for fiscal year (FY) 2021-22 primarily reflecting the appropriation of Federal funds provided to the State in response to the COVID-19 pandemic. Of this amount, \$522.3 million would be sourced from the Coronavirus State Fiscal Recovery Fund (SFRF) established under the Federal American Rescue Plan Act (ARPA), with the remainder sourced from GF/GP. The largest GF/GP item in the bill is a \$15.0 million fund shift from local funds to GF/GP for Medicaid mental health services in the Department of Health and Human Services (DHHS). This fund shift would occur only if Senate Bills 597 and 598 are enacted into law. Other items in the bill, all Federally funded unless noted, for the DHHS include \$100.0 million for infrastructure grants for pediatric inpatient services, \$50.0 million for community mental health services integration readiness, \$25.0 million for the clinical integration fund, \$25.0 million for crisis stabilization units, \$25.0 million for Michigan essential health provider loan repayment, \$25.0 million for psychiatric residential treatment facilities, \$25.0 million for State psychiatric hospital capital outlay; and several other items detailed in [Table 2](#).

The bill also would appropriate \$31.0 million SFRF to the Department of Labor and Economic Opportunity. Of this, \$30.0 million would support the career path apprenticeship program, and \$1.0 million for a Michigan enhancement grant for the McLaren Greenlawn Hospital in Lansing for a behavioral health pilot project.

[Table 1](#) summarizes the appropriations by budget area in the supplemental.

Table 1

FY 2021-22 Supplemental Appropriations				
Budget Area	Gross	Federal	Local	GF/GP
Health/Hum Svcs	\$508,082,100	\$505,582,100	\$(15,038,700)	\$17,538,700
LEO	31,000,000	31,000,000	0	0
TOTAL	\$539,082,100	\$536,582,100	\$(15,038,700)	\$17,538,700

FISCAL IMPACT

The bill provides FY 2021-22 line-item appropriations of \$539.1 million Gross and \$17.5 million GF/GP. As noted in **CONTENT**, the majority of appropriations are Federal funds provided from the Coronavirus State Fiscal Relief Fund under ARPA. Additionally, a number of items in the bill would not go into effect unless Senate Bills 597 and 598 are enacted into law. These items are noted in the boilerplate section, below.

See [Table 2](#) 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. 301. Health and Human Services. Directs that the part 1 funding for Health Homes be used to maintain the current number of behavioral and substance use disorder health homes and to expand the number of behavioral health homes in regions 6 and 7 and the number of substance use disorder health homes in regions 6, 7, and 10. Requires a quarterly report on the number of individuals being served and expenditures incurred by each prepaid inpatient health plan region by site.

Sec. 302. Health and Human Services. Directs that the adjustments in part 1 for Medicaid Mental Health Services be used to replace local match with GF/GP. Bars spending or distributing the funding in the line unless Senate Bills 597 and 598 are enacted into law.

Sec. 303. Health and Human Services. Directs that the Department appropriate \$3.5 million of the part 1 funding for Adverse Childhood Experiences Awareness Program to the Michigan ACE Initiative to support the continued implementation of an awareness program on adverse childhood experiences and begin implementation on a program to mitigate the effects. Requires the Michigan ACE Initiative to provide a strategic plan before the release of funds. The Department must forward the strategic plan to the Legislature within 30 days of receipt. Designates the part 1 funding as a work project.

Sec. 304. Health and Human Services. Directs that the part 1 funding for Behavioral Health Provider Recruitment be used to make one-time payments of up to \$250,000 to cover the costs of hiring new providers. Designates the part 1 funding as a work project.

Sec. 305. Health and Human Services. Directs the Department to allocate \$6.0 million of the part 1 funding for Child and Adolescent Psychiatric Emergency Department to Michigan Medicine to create a dedicated emergency room for children and adolescents. Designates the part 1 funding as a work project.

Sec. 306. Health and Human Services. Directs that the part 1 appropriation for Clinical Integration Fund be used to provide grants to facilities and providers that integrate their setting with physical and behavioral health services and providers. Designates the part 1 funding as a work project. Bars spending or distributing the funding in the line unless Senate Bills 597 and 598 are enacted into law.

Sec. 307. Health and Human Services. Directs the Department to allocate \$750,000 of the part 1 funding for Community-Based Care Project to the Ennis Center to implement a community-based care project for families in contact with the child welfare system. Designates the part 1 funding as a work project.

Sec. 308. Health and Human Services. Directs that the part 1 funding for Community Mental Health Services Program (CMHSP) Integration Readiness be used to support CMHSP efforts to make information technology, staff, and administrative improvements for

integration. Designates the part 1 funding as a work project. Bars spending or distributing the funding in the line unless both Senate Bills 597 and 598 are enacted into law.

Sec. 309. Health and Human Services. Directs the Department to use the part 1 funding for Community Substance Use Disorder Prevention, Education, and Treatment Grants to provide funding to entities, including private entities that have contracts to provide community-based substance use disorder services. Designates the part 1 funding as a work project.

Sec. 310. Health and Human Services. Directs that the part 1 funding for Crisis Stabilization Units be used to create a one-time grant pool for entities wishing to create crisis stabilization units. Designates the part 1 funding as a work project.

Sec. 311. Health and Human Services. Directs that the part 1 funding for DHHS integration readiness be used to make one-time investments to support implementation of Senate Bills 597 and 598. Designates the part 1 funding as a work project. Bars spending or distributing the funding in the line unless Senate Bills 597 and 598 are enacted into law.

Sec. 312. Health and Human Services. Directs that the funding in part 1 for Hawthorn Center Expansion be used to support capital improvements to expand capacity at the Hawthorn Center.

Sec. 313. Health and Human Services. Directs that the part 1 funding for Hospital Infrastructure Enhancements be used to create a one-time grant pool. Hospitals would be permitted to apply for grants from the fund to invest in infrastructure to improve care for behavioral health patients who enter the hospital through the emergency department. Designates the part 1 funding as a work project.

Sec. 314. Health and Human Services. Directs that the part 1 funding for Infrastructure Grants to Enhance Pediatric Inpatient Services be used to create a competitive grant program for providers to increase the number of slots in long-term pediatric inpatient facilities by a total of at least 120 slots. Requires a 20.0% match as part of the grant application. Limits the maximum grant to \$25.0 million and requires grants be made to different geographical areas of the State. Designates the part 1 funding as a work project.

Sec. 315. Health and Human Services. Directs the Department to appropriate \$15.0 million of part 1 funding for Integrated Care Center to the Detroit Wayne Integrated Health Network to implement a centrally located integrated service center to provide physical and mental health services. Designates the part 1 funding as a work project. Bars spending or distributing the funding in the line unless Senate Bills 597 and 598 are enacted into law.

Sec. 316. Health and Human Services. Directs that the part 1 funding for Jail Diversion Fund be allocated to the Jail Diversion Fund, which would be administered by the Mental Health Diversion Council. Directs the Council to distribute grants to local entities to establish or expand jail diversion programs, with 50.0% going to community-based mobile crisis intervention services that include full integration with 911 dispatch centers, include both co-responder clinicians and peers, have access to residential treatment facilities, include telehealth response and follow-up services, and employ mental health professionals independent of law enforcement. Directs that the other 50.0% go to pre-arrest or post-arrest diversion programs for individuals with behavioral health needs, with priority given to nonurbanized areas. Allows grant applications to be made by any applicable local entity and must be distributed using a prospective payment model. Directs the DHHS to seek Federal authority under the American Rescue Plan to use enhanced Medicaid matching funds. Requires local entities receiving grants to submit a report containing metrics and requires the Council to compile and provide an annual report to the Legislature. Allows local entities to use a portion of funding to contract with independent entities to create the report. Outlines metrics

to be used. Designates the part 1 funding as a work project.

Sec. 317. Health and Human Services. Directs the Department to use the part 1 funding for Mental Health Block Grant to provide funding to entities including private entities that have contracts to provide community-based mental health services. Designates the part 1 funding as a work project.

Sec. 318. Health and Human Services. Directs that the part 1 funding for Michigan Essential Health Provider Loan Repayment Program be used to expand the program to include designated mental health professionals under Senate Bills 246 and 435. Designates the part 1 funding as a work project. Bars spending or distributing the funding in the line unless Senate Bills 246 and 435 are enacted into law.

Sec. 319. Health and Human Services. Directs the Department to appropriate \$10.0 million of the part 1 funding for Mobile Outreach and Prevention Services Grant to create a grant program for facilities and providers wishing to establish or expand a mobile outreach and prevention program. Designates the part 1 funding as a work project.

Sec. 320. Health and Human Services. Directs the Department to appropriate \$5.0 million of the part 1 funding for Narcotics Awareness Program to Families Against Narcotics. Designates the part 1 funding as a work project.

Sec. 321. Health and Human Services. Directs that the part 1 funding for Northern Michigan Psychiatric Hospital Bed Investment be allocated to a nonprofit health care system located in Cheboygan to support at least 12 new psychiatric beds.

Sec. 322. Health and Human Services. Directs the Department to appropriate \$6.0 million of the part 1 funding for Opioid Inpatient and Transitional Housing Capital Project to the Harbor Hall Foundation to expand access to inpatient opioid treatment beds and transitional living services. Designates the part 1 funding as a work project.

Sec. 323. Health and Human Services. Directs the Department to appropriate \$4.0 million for Opioid Transitional Housing and Services Grant to Andy's Place. Designates the part 1 funding as a work project.

Sec. 324. Health and Human Services. Directs the Department to appropriate \$5.0 million of part 1 funding for Partial Hospitalization Program to Michigan Medicine to establish a behavioral day program for children and adults who require more comprehensive support for their mental health needs. Designates the part 1 funding as a work project.

Sec. 325. Health and Human Services. Directs that the part 1 funding for Psychiatric Residential Treatment Facilities be used to create a one-time grant pool for entities interested in establishing psychiatric residential treatment facilities as described in the Mental Health Code. Designates the part 1 funding as a work project.

Sec. 326. Health and Human Services. Directs that the part 1 funding for Recovery High Schools and Recovery Community Organizations be used to provide funding to recovery high schools and recovery community organizations. Designates the part 1 funding as a work project.

Sec. 327. Health and Human Services. Directs that the part 1 funding for State Psychiatric Capital Outlay Investment be used to provide financial support at all five State psychiatric hospitals to provide infrastructure improvements. Also permits use of funding for expansion of State psychiatric hospitals.

Sec. 328. Health and Human Services. Directs that the part 1 funding for Child Advocacy Centers be allocated to Child Advocacy Centers based on the Children’s Advocacy Center Act, with \$5.0 million going to investigative assessment, counseling, support, and educational services to victims of child sexual abuse and their families, \$1.0 million going to provide training related to child sexual abuse for personnel employed or retained by Child Advocacy Centers, and \$2.0 million going to improve the detection, investigation, treatment, and prevention of child sexual abuse through the coordinated activities of Child Advocacy Centers, medical providers, crime victim organizations, and law enforcement. Designates the part 1 funding as a work project.

Sec. 329. Health and Human Services. Directs that the part 1 funding for Direct Care Worker Supervisor Training Program Investment be used to implement a comprehensive training program for frontline supervisors working in adult foster care, homes for the aged, assisted living, independent living, and other community-based settings. Designates the part 1 funding as a work project.

Sec. 330. Health and Human Services. Directs that the part 1 funding for Multiservice Organization Grant be allocated to Child and Family Charities to allow centralization of the organization’s service delivery platform. Designates the part 1 funding as a work project.

Sec. 331. Health and Human Services. Directs that the part 1 funding for Telemedicine Infrastructure be used to provide funding to local health offices, homeless shelters, community centers, and other similar entities to build, equip, and operate secure rooms to access telehealth services. Designates the part 1 funding as a work project.

Sec. 332. Health and Human Services. Directs that the part 1 funding for Trauma-Informed Treatment Education be used to fund trauma-informed grants to community organizations to provide resources for new initiatives to address health problems. Designates the part 1 funding as a work project.

Sec. 333. Health and Human Services. Directs that the part 1 funding for Mental Health Prevention Training be used to provide funding for community training for youth, parents, teachers, and community workers to identify, understand, and respond to situations as outlined by the mental health first aid model. Designates the part 1 funding as a work project.

Sec. 334. Health and Human Services. Directs that the part 1 funding for Public Television Investment be allocated to Detroit Public Television to increase public awareness of situations in which mental health intervention is needed and to help families navigate the mental health system. Designates the part 1 funding as a work project.

Sec. 401. Labor and Economic Opportunity. Directs that the part 1 funding for career path apprenticeship program be used to expand the Michigan apprenticeship program to support apprenticeships for direct support professionals in medical fields. Designates the part 1 funding as a work project.

Sec. 402. Labor and Economic Opportunity. Directs that the part 1 funding for Michigan enhancement grants be allocated to a nonprofit health system located in Lansing for a behavioral health pilot project. The hospital that would qualify is McLaren’s Greenlawn campus.

Table 2

FY 2021-22 Supplemental Appropriations

Department/Program	Gross	Federal	Local	GF/GP
Health and Human Services				
Health homes expansion	\$16,832,100	\$14,332,100	\$0	\$2,500,000
Replace remaining Medicaid MH Local Match	0	0	(15,038,700)	15,038,700
MI ACE Initiative	3,500,000	3,500,000	0	0
Behavioral health provider recruitment	15,000,000	15,000,000	0	0

FY 2021-22 Supplemental Appropriations				
Department/Program	Gross	Federal	Local	GF/GP
Child advocacy centers	8,000,000	8,000,000	0	0
Michigan Medicine child/adolescent psych ED	6,000,000	6,000,000	0	0
Clinical integration fund	25,000,000	25,000,000	0	0
Community-based care project	750,000	750,000	0	0
Community mental health integration readiness	50,000,000	50,000,000	0	0
Community substance use disorder grants	10,000,000	10,000,000	0	0
Crisis stabilization units	25,000,000	25,000,000	0	0
DHHS integration readiness	10,000,000	10,000,000	0	0
Direct care worker supervisor training program	2,500,000	2,500,000	0	0
Hawthorn Center expansion	5,000,000	5,000,000	0	0
Hospital infrastructure enhancements	20,000,000	20,000,000	0	0
Infrastructure grants for pediatric inpatient svcs	100,000,000	100,000,000	0	0
Detroit integrated care center	15,000,000	15,000,000	0	0
Jail diversion fund	20,000,000	20,000,000	0	0
Mental health block grant	10,000,000	10,000,000	0	0
Community mental health first aid training	15,000,000	15,000,000	0	0
Michigan essential health provider program	25,000,000	25,000,000	0	0
Mobile outreach and prevention svcs grant	10,000,000	10,000,000	0	0
Child and Family Charities grant	3,000,000	3,000,000	0	0
Families Against Narcotics	5,000,000	5,000,000	0	0
Northern Michigan psychiatric hospital beds	8,000,000	8,000,000	0	0
Harbor Hall Foundation	6,000,000	6,000,000	0	0
Andy's Place	4,000,000	4,000,000	0	0
Michigan Medicine partial hospitalization program	5,000,000	5,000,000	0	0
Psychiatric residential treatment facilities	25,000,000	25,000,000	0	0
Detroit public television investment	1,500,000	1,500,000	0	0
Recovery high schools and community orgs.	2,000,000	2,000,000	0	0
State psychiatric capital outlay	25,000,000	25,000,000	0	0
Telemedicine infrastructure improvements	20,000,000	20,000,000	0	0
Trauma-informed treatment education	11,000,000	11,000,000	0	0
Total Health and Human Services	\$508,082,100	\$505,582,100	\$(15,038,700)	\$17,538,700
Labor and Economic Opportunity				
MI apprenticeship program-direct support professionals	\$30,000,000	\$30,000,000	\$0	\$0
Greenlawn enhancements	1,000,000	1,000,000	0	0
Total Labor and Economic Opportunity	\$31,000,000	\$31,000,000	\$0	\$0
Total FY 2021-22 Supplemental Appropriations	\$539,082,100	\$536,582,100	\$(15,038,700)	\$17,538,700

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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.