

House Bill 4410 (Substitute S-1 as passed by the Senate)  
Sponsor: Representative Thomas Albert  
House Committee: Appropriations  
Senate Committee: Committee of the Whole

Date Completed: 6-30-21

**CONTENT**

The substitute for the bill includes fiscal year (FY) 2021-22 appropriations for Revenue Sharing, which contain the most recent estimate for constitutional revenue sharing payments and include a 2.0% increase in statutory revenue sharing payments for cities, villages, townships, and counties. The bill also includes FY 2020-21 supplemental appropriations, using Federal Coronavirus State Fiscal Relief funds, to support Department of State Police Secondary Road Patrol (\$2.7 million) and payments to hospitals (\$160.0 million) and long-term care facilities (\$100.0 million). The FY 2020-21 supplemental also includes \$105.0 million in Federal funding to increase child care rates for certain providers, \$7.0 million GF/GP for the Wrongful Imprisonment Fund, and \$10.0 million GF/GP for disaster relief related to the June 2021 weather events in the State.

**Table 1 – Article 1: FY 2021-22 Appropriations**

Budget Area	Gross	Restricted	GF/GP
Treasury	\$1,412,735,300	\$1,412,735,300	\$0
<b>TOTAL</b>	<b>\$1,412,735,300</b>	<b>\$1,412,735,300</b>	<b>\$0</b>

**Table 2 – Article 2: FY 2020-21 Appropriations**

Budget Area	Gross	Federal	GF/GP
Education	\$105,000,000	\$105,000,000	\$0
Health & Human Svcs	260,000,000	260,000,000	0
State Police	12,700,000	2,700,000	10,000,000
Treasury	7,000,000	0	7,000,000
<b>TOTAL</b>	<b>\$384,700,000</b>	<b>\$367,700,000</b>	<b>\$17,000,000</b>

**FISCAL IMPACT**

**Article 1 (FY 2021-22 Revenue Sharing):** Article 1 of the bill provides FY 2021-22 Revenue Sharing line-item appropriations of \$1,412.7 million Gross and Restricted. This includes \$912.0 million for Constitutional Revenue Sharing grants, \$266.2 million for City, Village, and Township (CVT) Revenue Sharing, \$231.5 million for County Revenue Sharing and County Incentive Program payments, \$2.5 million for the Financially Distressed CVTs program, and \$433,000 for Coronavirus Relief Local Government Grant (CRLGG) reimbursement.

The Governor's recommendation included a one-time 2.0% increase for statutory revenue sharing for CVTs and counties, the Senate-passed budget included an ongoing 2.0% increase, the original House-passed budget included a one-time 1.0% increase, and the revised House recommendation includes an ongoing 1.0% increase and a one-time 1.0% increase. The Governor's recommendation, the Senate-passed budget, and the revised House

recommendation all included \$2.5 million for Financially Distressed CVTs, and the original House-passed budget had reduced that amount to \$1,967,000. The Senate-passed budget included \$433,000 for CRLGG reimbursement payments, while the House-passed budget included \$290,000 for CRLGG reimbursements and \$243,000 for December 2020 missed statutory revenue sharing payment reimbursements.

**Article 2 (FY 2020-21 Supplemental):** Article 2 of the bill provides supplemental appropriations using Federal Coronavirus State Fiscal Relief revenue for three purposes: \$2.7 million to increase funding for Secondary Road Patrol in the Department of State Police, \$160.0 million to hospitals in the State to help hospitals cover increased costs and reduced revenue during the COVID-19 pandemic, and \$100.0 million to long-term care facilities in the State to provide a \$23 per day increase to nursing facilities that have seen a census decline since the start of the COVID-19 pandemic.

The supplemental also includes \$105.0 million in Federal funding for the Department of Education to increase child care provider reimbursement rates for child care centers, group home providers, registered family homes, and licensed exempt providers by 40.0% above the rates in effect on September 30, 2020. This increase would be rounded up to the nearest \$0.05 per hour and would be effective for the entirety of FY 2020-21.

The supplemental includes \$7.0 million GF/GP for the Wrongful Imprisonment Compensation Fund in the Department of Treasury to shore up funding in that line. The supplemental includes \$10.0 million GF/GP for the Emergency and Disaster Response and Mitigation line in the Department of State Police to cover costs related to the June 2021 weather events in the State.

All the supplemental items except for the disaster response dollars were included in Article 14 of the House-passed version of House Bill 4410 (H-1). The House-passed version also included the same boilerplate language for those items.

Tables 3 and 4 summarize the details of the appropriations in the two articles of the bill.

## **FY 2021-22 BOILERPLATE LANGUAGE SECTIONS - ARTICLE 1, 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. Revenue Sharing.** Directs the distribution of Constitutional Revenue Sharing grants.

**Sec. 302. Revenue Sharing.** Directs that all CVTs that received a statutory revenue sharing payment in FY 2020-21 receive a payment of 102.0% of their eligible payment in FY 2021-22. This section also details the requirements that CVTs and counties must fulfill to receive the full amount of their statutory payments. This section also directs that unspent funds for CVT Revenue Sharing and the County Incentive Program be transferred to the Financially Distressed Cities, Villages, or Townships program.

**Sec. 303. Revenue Sharing.** Directs that eligible counties receive 106.6435% of the amount required by statute (a 2.0% increase) in FY 2021-22.

**Sec. 304. Revenue Sharing.** Details the requirements for the Financially Distressed Cities, Villages, or Townships program.

**Sec. 305. Revenue Sharing.** Directs the distribution of funds for the CRLGGs reimbursement line item.

## **FY 2020-21 BOILERPLATE LANGUAGE SECTIONS - ARTICLE 2, PART 2**

**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. 1204. General.** Specifies 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. 1205. General.** Requires the State Budget Director to report monthly on all coronavirus relief effort funds to the Appropriations Committees and the fiscal agencies.

**Sec. 1301. Health and Human Services.** Directs the Department of Health and Human Services to provide grants totaling \$160.0 million to hospitals in the State to cover increased hospital costs and lost revenue related to the COVID-19 pandemic. Directs that the grant to each hospital be proportional to that hospital's share of total State Medicaid fee for service and managed care inpatient claims revenue.

**Sec. 1302. Health and Human Services.** Directs the Department of Health and Human Services to provide a \$23 per Medicaid day increase in reimbursement to skilled nursing facilities that have experienced a 5.0% or greater facility average daily census decline during the first three calendar quarters of 2021 as compared to the average daily census in each facility's 2019 Medicaid cost report. Allows a facility to be eligible for one or all three calendar quarters depending on the facility's change in average daily census by calendar quarter. Allows facilities to request the increase at the end of each calendar quarter. Requires the facility request to include average daily census from the 2019 Medicaid cost report based on total licensed beds, the applicable quarter's average daily census, and a detailed weekly average daily census for that quarter. Also requires the facility to report the number of Medicaid days rendered in the applicable 2021 quarter, including integrated care organization and Healthy Michigan Plan days of care. Allows the Department of Health and Human Services to request additional documentation to verify census. Requires the Department of Health and Human Services to remit payment to the nursing facility within 14 days of receiving the request with all applicable information. Requires reconciliation by no sooner than 92 days after September 30, 2021. Requires nursing facilities, as a condition of receiving funds, to pay any reconciliation determined payments or recoveries. Requires the Department of Health and Human Services to identify to each nursing facility any overpayments or underpayments.

**Sec. 1401. Education.** Directs that the COVID-19 Child Care Public Assistance funding appropriated in part 1 be used to increase child care rates by 40.0% above the rates in place September 30, 2020, rounded up to the nearest \$0.05 per hour, effective from October 1,

2020 to September 30, 2021. The rate increase would apply to child care centers, group home providers, registered family homes, and licensed exempt providers.

**Sec. 1402. Education.** Directs that the COVID-19 Child Care Public Assistance funding appropriated in part 1 be used to make payments to child care providers beginning on June 28, 2021 through September 30, 2021 for eligible children based on enrollment rather than attendance.

**Sec. 1501. State Police.** Directs that the funding in part 1 for Emergency and Disaster Response and Mitigation be used to cover costs related to the June 2021 weather events in the State.

**Table 3 – Article 1: FY 2021-22 Appropriation Detail**

Department/Program	Gross	Restricted	GF/GP
<b>Treasury</b>			
City, village, and township revenue sharing	\$266,245,100	\$266,241,100	\$0
Constitutional state general revenue sharing	912,040,500	912,040,500	0
County incentive program	43,418,800	43,418,800	0
County revenue sharing	188,097,200	188,097,200	0
Financ. distressed cities/villages/townships	2,500,000	2,500,000	0
COVID relief local govt grant reimbursement	<u>433,000</u>	<u>433,000</u>	<u>0</u>
<b>Total Treasury</b>	<b>\$1,412,735,300</b>	<b>\$1,412,735,300</b>	<b>\$0</b>
<b>Total FY 2021-22 Appropriations</b>	<b>\$1,412,735,300</b>	<b>\$1,412,735,300</b>	<b>\$0</b>

**Table 4 – Article 2: FY 2020-21 Appropriation Detail**

Department/Program	Gross	Federal	GF/GP
<b>Education</b>			
COVID-19 child care public assistance	<u>\$105,000,000</u>	<u>\$105,000,000</u>	<u>\$0</u>
<b>Total Education</b>	<b>\$105,000,000</b>	<b>\$105,000,000</b>	<b>\$0</b>
<b>Health and Human Services</b>			
Hospital COVID-19 grants	\$160,000,000	\$160,000,000	\$0
Long-term care facility supports	<u>100,000,000</u>	<u>100,000,000</u>	<u>0</u>
<b>Total Health and Human Services</b>	<b>\$260,000,000</b>	<b>\$260,000,000</b>	<b>\$0</b>
<b>State Police</b>			
Secondary road patrol	\$2,700,000	\$2,700,000	\$0
Emergency and disaster response/mitigation	<u>10,000,000</u>	<u>0</u>	<u>10,000,000</u>
<b>Total State Police</b>	<b>\$12,700,000</b>	<b>\$2,700,000</b>	<b>\$10,000,000</b>
<b>Treasury</b>			
Wrongful Imprisonment Compensation Fund	<u>\$7,000,000</u>	<u>\$0</u>	<u>\$7,000,000</u>
<b>Total Treasury</b>	<b>\$7,000,000</b>	<b>\$0</b>	<b>\$7,000,000</b>
<b>Total FY 2020-21 Supplemental Appropriations</b>	<b>\$384,700,000</b>	<b>\$367,700,000</b>	<b>\$17,000,000</b>

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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.