

Act No. 5
Public Acts of 2023
Approved by the Governor
March 8, 2023
Filed with the Secretary of State
March 8, 2023
EFFECTIVE DATE: March 8, 2023

**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023**

Introduced by Rep. Witwer

ENROLLED HOUSE BILL No. 4016

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and capital outlay purposes for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

Sec. 101. There is appropriated for various state departments and agencies and capital outlay purposes to supplement appropriations for the fiscal year ending September 30, 2023, from the following funds:

APPROPRIATION SUMMARY		
Full-time equated classified positions	2.0	
GROSS APPROPRIATION	\$	1,338,178,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	1,338,178,400
Federal revenues:		
Total federal revenues		499,570,000
Special revenue funds:		
Total local revenues		0
Total private revenues		5,000,000
Total other state restricted revenues		4,963,800
State general fund/general purpose	\$	828,644,600
Sec. 102. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	212,500,000

For Fiscal Year
Ending Sept. 30,
2023

Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	212,500,000
Federal revenues:		
Total federal revenues		212,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	500,000
(2) MATERIALS MANAGEMENT DIVISION		
Environmental sustainability and stewardship	\$	212,000,000
GROSS APPROPRIATION	\$	212,000,000
Appropriated from:		
Federal revenues:		
Inflation reduction act		212,000,000
State general fund/general purpose	\$	0
(3) ONE-TIME APPROPRIATIONS		
Mineral wells	\$	500,000
GROSS APPROPRIATION	\$	500,000
Appropriated from:		
State general fund/general purpose	\$	500,000
Sec. 103. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions	2.0	
GROSS APPROPRIATION	\$	241,299,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	241,299,300
Federal revenues:		
Total federal revenues		191,813,200
Special revenue funds:		
Total local revenues		0
Total private revenues		5,000,000
Total other state restricted revenues		4,963,800
State general fund/general purpose	\$	39,522,300
(2) HEALTH SERVICES		
Long-term care services	\$	63,499,300
GROSS APPROPRIATION	\$	63,499,300
Appropriated from:		
Federal revenues:		
Total other federal revenues		44,013,200
Special revenue funds:		
Total other state restricted revenues		4,963,800
State general fund/general purpose	\$	14,522,300
(3) ONE-TIME APPROPRIATIONS		
Full-time equated classified positions	2.0	
ARP – community violence initiative - community grant programs	\$	10,000,000
ARP – health care recruitment, retention, and training		75,000,000
ARP – nursing home workforce		67,000,000
ARP – office of community violence intervention services – creation and initial staffing—FTEs	2.0	800,000
Water affordability		25,000,000
GROSS APPROPRIATION	\$	177,800,000

Appropriated from:	
Federal revenues:	
Coronavirus state fiscal recovery fund	\$ 147,800,000
Special revenue funds:	
Private funds	5,000,000
State general fund/general purpose	\$ 25,000,000
Sec. 104. LABOR AND ECONOMIC OPPORTUNITY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 568,629,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 568,629,100
Federal revenues:	
Total federal revenues	85,006,800
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 483,622,300
(2) WORKFORCE DEVELOPMENT	
Workforce development programs	\$ 2,540,600
GROSS APPROPRIATION	\$ 2,540,600
Appropriated from:	
Federal revenues:	
Federal funds	2,540,600
State general fund/general purpose	\$ 0
(3) COMMISSIONS	
Michigan community service commission	\$ 7,274,200
GROSS APPROPRIATION	\$ 7,274,200
Appropriated from:	
Federal revenues:	
Federal funds	7,274,200
State general fund/general purpose	\$ 0
(4) ONE-TIME APPROPRIATIONS	
ARP – arts and cultural program	\$ 5,000,000
ARP – community and neighborhood initiatives	60,000,000
ARP – EDA statewide planning grant	1,000,000
Career and technical education complex	9,872,300
Community development block grant - disaster recovery	7,864,000
Housing gap financing and affordable housing	(150,000,000)
Housing gap financing and affordable housing	150,000,000
Mega-strategic site development	299,700,000
State digital equity planning grant	1,328,000
Strategic outreach and attraction reserve fund	170,300,000
Student aviation center	3,750,000
GROSS APPROPRIATION	\$ 558,814,300
Appropriated from:	
Federal revenues:	
Federal funds	2,328,000
Coronavirus state fiscal recovery fund	65,000,000
HUD-CPD, community development block grant	7,864,000
State general fund/general purpose	\$ 483,622,300

Sec. 105. MILITARY AND VETERANS AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	750,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	750,000
Federal revenues:		
Total federal revenues		750,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) MICHIGAN VETERANS AFFAIRS AGENCY		
Michigan veterans affairs agency administration	\$	750,000
GROSS APPROPRIATION	\$	750,000
Appropriated from:		
Federal revenues:		
USDVA-VHA		750,000
State general fund/general purpose	\$	0
Sec. 106. DEPARTMENT OF NATURAL RESOURCES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	10,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	10,000,000
Federal revenues:		
Total federal revenues		10,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) ONE-TIME APPROPRIATIONS		
ARP – Lake Erie and Saginaw Bay watershed wetland restoration, enhancement, and acquisition	\$	10,000,000
GROSS APPROPRIATION	\$	10,000,000
Appropriated from:		
Federal revenues:		
Coronavirus state fiscal recovery fund		10,000,000
State general fund/general purpose	\$	0
Sec. 107. STATE TRANSPORTATION DEPARTMENT		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	330,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	330,000,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	330,000,000

For Fiscal Year
Ending Sept. 30,
2023

(2) ONE-TIME APPROPRIATIONS	
Economic development project	\$ 330,000,000
GROSS APPROPRIATION	\$ 330,000,000
Appropriated from:	
State general fund/general purpose	\$ 330,000,000
Sec. 108. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ (25,000,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ (25,000,000)
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ (25,000,000)
(2) ONE-TIME APPROPRIATIONS	
Water shutoff prevention fund	\$ (25,000,000)
GROSS APPROPRIATION	\$ (25,000,000)
Appropriated from:	
State general fund/general purpose	\$ (25,000,000)

PART 1A

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

Sec. 151. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 0
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 0
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 0
Sec. 152. DEPARTMENT OF STATE POLICE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 0
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 0
Federal revenues:	
Total federal revenues	0

	For Fiscal Year Ending Sept. 30, 2022	
Special revenue funds:		
Total local revenues	\$	0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) ONE-TIME APPROPRIATIONS		
Public safety academy assistance programs	\$	(30,000,000)
Public safety academy assistance programs		30,000,000
GROSS APPROPRIATION	\$	0
Appropriated from:		
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

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, 2023 is \$833,608,400.00 and total state spending from state sources to be paid to local units of government is \$13,622,300.00.

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. Funds appropriated in part 1 must be allocated and expended in a manner consistent with federal rules and regulations.

Sec. 204. Funds appropriated in part 1 are subject to applicable federal audit and reporting requirements. Prompt action shall be taken if instances of noncompliance are identified, including noncompliance identified in an audit finding. If any instance of noncompliance is identified, including noncompliance identified in an audit finding, the state budget director shall take necessary and immediate action to rectify it. The state budget director shall notify the senate and house appropriations committees and the senate and house fiscal agencies when an instance of noncompliance is identified.

Sec. 205. The state budget director shall report on the status of funds appropriated in part 1, and all funds appropriated related to the coronavirus relief effort, to the senate and house appropriations committees and the senate and house fiscal agencies on a monthly basis until all funds are exhausted.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 401. The unexpended funds appropriated in part 1 for environmental sustainability and stewardship are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide assistance to Michigan's residential homeowners, landlords, and other entities performing energy efficiency updates as approved by the United States Department of Energy.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$212,000,000.00.
- (d) The tentative completion date is September 30, 2027.

Sec. 402. (1) From the funds appropriated in part 1 for mineral wells, the department shall provide funding in the amount of \$500,000.00 to support the increase in statewide oversight of disposal wells, perform necessary compliance and enforcement activities, and any remedial actions considered necessary by the department pursuant to part 625 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.62501 to 324.62518. The department shall prioritize activities funded in part 1 that pose an immediate environmental hazard, including the oversight of hazardous substances imported for disposal into wells located in a county with a population between 1,700,000 and 1,800,000 according to the most recent federal decennial census.

(2) The unexpended funds appropriated in part 1 for mineral wells are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide mineral wells compliance.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$500,000.00.
- (d) The tentative completion date is September 30, 2027.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 501. (1) From the funds appropriated in part 1 for water affordability, the department shall allocate \$25,000,000.00 as grants to qualified providers to assist eligible residents who have a financial burden, have accumulated a balance on their water utility bill, have had their water service shut off, and/or are at risk of having their water service shut off. Eligible expenditures from these funds must be income-based and must include all of the following:

- (a) Restoring residential water service.
- (b) Paying down water bills currently in arrears.
- (c) Supporting reasonable water affordability plans that are based on an individual's ability to pay, including capped payments based on household income to prevent accumulating a balance on future water bills and funding to qualified providers to cover the remaining cost of service.

(d) Protecting participating residents from water shutoffs.

(2) To be considered a qualified provider under this section, the provider must be 1 of the following:

- (a) A community water system.
- (b) A community action agency.
- (c) A nonprofit, community-based organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, with a history of doing utility assistance work.

(3) Qualified providers receiving grants under this section may spend not more than 3% of the total grant award for administrative services related to the implementation of this section.

(4) Qualified providers receiving grants under this section shall report to the department by September 30 of the current fiscal year on outcomes and performance measures for the program, including, but not limited to, all of the following:

- (a) The total grant award received by the qualified provider.
- (b) The percentage of the grant award that was used for administrative costs.
- (c) The total dollars spent broken down by type of assistance provided.
- (d) The number of individuals helped broken down by type of assistance provided.
- (e) The number of individual applicants denied assistance.
- (5) Upon receipt of the information required under subsection (4), the department shall compile and forward the report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(6) The unexpended funds appropriated in part 1 for water affordability are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide grants to qualified providers that assist eligible residents who have a financial burden, have accumulated a balance on their water utility bill, have had their water service shut off, and/or are at risk of having their water service shut off.

- (b) The project will be accomplished through competitive grants to qualified providers.
- (c) The total estimated cost of the project is \$25,000,000.00.
- (d) The tentative completion date is September 30, 2027.

Sec. 502. (1) From the funds appropriated in part 1 for ARP – nursing home workforce, the department shall allocate \$67,000,000.00 for long-term care workforce stabilization and development. The department shall award funds to nursing homes and nonprofit health care training organizations to stabilize and improve staffing in long-term care settings. Funds shall be awarded for staff recruitment, retention, training, or career development. The department shall establish an application process and criteria for distributing funds under this section that includes, but is not limited to, all of the following:

(a) Projects jointly developed and implemented by nursing facility leadership and staff.

(b) Projects that would be implemented across multiple facilities, nursing facility operators, and regions of this state.

(2) The unexpended funds appropriated in part 1 for ARP– nursing home workforce are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to stabilize and improve staffing in long-term care settings.

(b) The project will be accomplished by utilizing state resources, contracts, or grants.

(c) The total estimated cost of the project is \$67,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 503. From the funds appropriated in part 1 for long-term care services, the department of health and human services shall adjust the variable cost component (VCC) and plant cost component of Medicaid reimbursement to class I, class III, and class IV nursing home providers as follows:

(a) An interim VCC rate and plant cost component rate for each facility must be established at 102% of the interim rate provided in 2022 PA 166, retroactive to January 1, 2023.

(b) The quality assurance supplement (QAS) amount will be calculated for nursing home providers using the following factors:

(i) For class I providers, the QAS must be based on the updated interim VCC for this fiscal year multiplied by 21.76%.

(ii) For governmental class III providers, the QAS must be subject to the class I updated variable cost limit (VCL).

(iii) For nongovernmental class III providers, the QAS must be based on their VCC or VCL, as applicable, multiplied by 21.76%.

(c) The department shall audit the final 2023 VCC and plant costs to establish the final audited rate provided to facilities for services provided in the current fiscal year.

Sec. 504. (1) From the funds appropriated in part 1 for ARP – community violence initiative - community grant programs, the department of health and human services office of community violence intervention shall expend \$10,000,000.00 to support community providers of violence intervention services.

(2) Not less than 50% of the dollar amount of grants awarded under subsection (1) must be awarded in communities disproportionately affected by the COVID-19 pandemic, as defined under guidance from the United States Department of the Treasury for the use of state fiscal recovery funds under the American rescue plan act of 2021, Public Law 117-2.

(3) The unexpended funds appropriated in part 1 for ARP – community violence initiative - community grant programs are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide grant funding for community violence intervention programs.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The estimated cost of the project is \$10,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 505. From the funds appropriated in part 1 for ARP – health care recruitment, retention, and training, the department of health and human services shall allocate \$75,000,000.00 for health care recruitment, retention, and training programming to health care employers that can demonstrate an eligible qualifying need under the rules and regulations applicable to the federal coronavirus state fiscal recovery funding. Additionally, health care employers must not request funds under this section for any investments related to recruitment or retention

announced before December 1, 2021. The department of health and human services must allocate the funds appropriated pursuant to this section to the Michigan Health and Hospital Association for administration to acute care and behavioral health care providers, of which not less than 10% appropriated pursuant to this section must be allocated to critical access hospitals and small and rural providers that are awarded rural access payments under section 1802(2) of article 6 of 2021 PA 87.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 701. Funds appropriated in part 1 for strategic outreach and attraction reserve fund must be deposited into the strategic outreach and attraction reserve fund established in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.

Sec. 702. In addition to funds appropriated in part 1, there is appropriated an amount not to exceed \$170,300,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 703. The unexpended funds appropriated in part 1 for community development block grant - disaster recovery are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support disaster recovery efforts.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$7,864,000.00.
- (d) The tentative completion date is September 30, 2027.

Sec. 704. The unexpended funds appropriated in part 1 for state digital equity planning grant are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support digital equity planning efforts and identify barriers to digital equity and strategies for overcoming those barriers.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$1,328,000.00.
- (d) The tentative completion date is September 30, 2027.

Sec. 705. (1) From the funds appropriated in part 1 for ARP – community and neighborhood initiatives, the department of labor and economic opportunity shall allocate \$60,000,000.00 for a grant program for projects at community centers as described in this section.

(2) The department shall develop program guidelines, eligibility criteria, and an application process. Program guidelines, eligibility criteria, and award amounts to new or existing community centers shall not be inconsistent with the following:

- (a) Eligible community centers include those owned by a municipality, local government agency, nonprofit, or faith-based organization. Applicants shall submit a project budget to determine project viability.
- (b) Eligible costs for community center projects include the acquisition of property, planning and design costs, construction and materials costs, infrastructure to equip facilities as needed, programming, and development.
- (c) Grants shall be awarded only for projects at community centers that are free and open to the community in which they are located or serve. Community centers that receive awards must provide or include 1 or more of the following:
 - (i) Before- or after-school education activities.
 - (ii) Access to career or workforce training services.
 - (iii) Indoor or outdoor spaces publicly accessible for recreational or athletic activities.
 - (iv) Dedicated programming for seniors.
 - (v) Meeting space for neighborhood or community organizations.
 - (vi) Other wraparound services that may include, but are not limited to, health services, behavioral services, and licensed childcare.

(d) Grant awards shall not exceed \$2,500,000.00 for any single community project. When awarding grants, the department shall consider population size and density, average median income, and community need.

(e) For at least 50% of total grant awards, the department shall give priority for proposals that provide services to communities below the average median income, according to the most recent federal decennial census.

(f) To qualify for a grant under this section, a community center must meet 1 or more the following criteria:

(i) Serve an eligible community according to guidance from the United States Department of the Treasury for the use of state fiscal recovery funds under the American rescue plan act of 2021, Public Law 117-2.

(ii) Be owned or operated by a nonprofit or faith-based organization impacted or disproportionately impacted by the COVID-19 pandemic. Grants awarded to nonprofit or faith-based organizations must have a demonstrated partnership with the community in which the center is or will be located.

(g) The department shall require quarterly progress reports from grant recipients on the utilization of grant funds under this section. Until program funding is expended, the department shall provide an annual report not later than February 1 on program grant awards and the utilization of grant funds. The report shall be submitted to the chairs of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director.

(3) The department of labor and economic opportunity may utilize up to 2.5% of funds appropriated in part 1 for ARP – community and neighborhood initiatives to administer grants under this section.

(4) The unexpended funds appropriated in part 1 for ARP – community and neighborhood initiatives are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to strengthen Michigan communities with enhanced services that provide for education, workforce training, health services, meeting space, and other community needs.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$60,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 706. (1) From the funds appropriated in part 1 for mega-strategic site development, the Michigan strategic fund shall grant funds for land acquisition and predevelopment site work related to the development of a mega-strategic site located in a city with a population between 6,500 and 7,000 and/or a township with a population between 3,100 and 3,200, in a county with a population between 130,000 and 140,000, according to the most recent federal decennial census. The grantee may subcontract with appropriate professional service providers to do both of the following:

(a) Land acquisition for all company site and public area required parcels, as well as any additional parcels that may be needed for road improvements or other infrastructure unknowns in furtherance of site control and development of the mega-strategic site.

(b) Pad ready site improvements, which include, but are not limited to, aboveground and belowground demolition and remediation, tree clearing, pad preparation, grading and fill, design and installation of storm water management, interior roads, and utility relocations.

(2) The legislature finds and declares that appropriations described in subsection (1) for mega-strategic site development are for a public purpose and serve the health, safety, and general welfare of the residents of this state.

(3) The unexpended funds appropriated for mega-strategic site development are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide for land acquisition and pad ready site improvements for the purpose of creating an investment-ready mega-strategic site to attract and promote investment in the state.

(b) The project will be accomplished by utilizing state employees, the Michigan economic development corporation, or grants or contracts with service providers, or all 3.

(c) The total estimated cost of the work project is \$299,700,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 707. Funds appropriated in part 1 for ARP – arts and cultural program shall be awarded to nonprofit organizations impacted by the COVID-19 pandemic. Expenditures under this section must comply with federal regulations established by the American rescue plan act of 2021, Public Law 117-2, including all regulations and requirements around the use of the state fiscal recovery fund.

Sec. 708. From the funds appropriated in part 1 for career and technical education complex, the department of labor and economic opportunity shall award \$9,872,300.00 to a public community college based in a county with a population between 34,000 and 36,000, according to the most recent federal decennial census, for renovations and additions to 1 or more buildings on its campus consistent with that college's most recent capital outlay priority project request submitted, as part of its 5-year capital outlay plan, to the department of technology, management, and budget under section 242 of the management and budget act, 1984 PA 431, MCL 18.1242.

Sec. 709. (1) From the funds appropriated in part 1 for housing gap financing and affordable housing, the Michigan state housing development authority shall create a program to assist in the implementation of Michigan's statewide housing plan by reducing housing cost burdens on Michigan residents and increasing the supply and preserving the existing supply of affordable housing. The program shall adhere to the requirements of this section.

(2) As used in this section:

(a) "Owner" means a limited dividend housing corporation as that term is defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411, that owns the property funded with the affordable housing tax credit gap financing funds and controlled by the sponsor.

(b) "LIHTC" means low-income housing tax credit, as defined by the United States Department of Housing and Urban Development.

(c) "Authority" means the Michigan state housing development authority created in section 21 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1421.

(3) From the funds appropriated in part 1 for housing gap financing and affordable housing, the authority may expend up to 5% of the funds for administration costs for the program.

(4) The funds appropriated in part 1 for housing gap financing and affordable housing shall be allocated to help defray the costs of projects, sponsored by for-profit and nonprofit developers, that emphasize the creation of affordable housing supply in this state, as determined by the authority. Of the funds available for the program, grants or loans shall be allocated to developments that qualify for tax credits under section 42 of the internal revenue code of 1986, 26 USC 42, as follows:

(a) Of the funds available for the program, 40% shall be allocated as a grant or forgivable loan to an eligible recipient for the development and construction of new affordable housing units through the authority's pass-through bond program. For the purposes of this subsection, "new affordable housing units" means housing units that meet both of the following requirements:

(i) Use of the property as multifamily housing commences after the owner's acquisition and development of the property.

(ii) The property has not been used as multifamily housing at any point during the 10-year period immediately prior to the owner's acquisition of the property.

(b) Of the funds available for the program, 20% shall be allocated as a grant or forgivable loan for the development or construction of affordable housing for projects awarded 9% tax credits under section 42 of the internal revenue code of 1986, 26 USC 42, and owners that have not received an unconditional form 8609 from the authority as of the effective date of this act. Priority of awards under this subsection shall be as follows:

(i) First, to owners that received an initial LIHTC reservation on or before December 31, 2020.

(ii) Next, after the priority in subparagraph (i), to owners that received an initial LIHTC reservation on or before December 31, 2021.

(iii) Next, after the priorities in subparagraphs (i) and (ii), to owners that received an initial LIHTC reservation on or before December 31, 2022.

(iv) Last, after the priorities in subparagraphs (i), (ii), and (iii), to owners that received an initial LIHTC reservation after December 31, 2022.

(c) Of the funds available for the program, 25% shall be allocated as a grant, loan, or forgivable loan for the development or construction of affordable housing for properties that meet 1 or more of the following:

(i) Have already received loans through the authority's direct lending program.

(ii) Are existing properties for projects that meet all of the following:

(A) Are properties that previously obtained tax credits under section 42 of the internal revenue code of 1986, 26 USC 42.

(B) Are properties subject to an existing use restriction from previously obtained tax credits.

(C) Are properties that receive an allocation of volume cap through the authority's direct lending program.

(d) Of the funds available for the program, 15% shall be allocated as a grant or forgivable loan for the development or construction of affordable housing for properties that meet all of the following:

(i) Are properties that previously obtained tax credits under section 42 of the internal revenue code of 1986, 26 USC 42.

(ii) Are properties subject to an existing use restriction from previously obtained tax credits.

(iii) Are properties that receive an allocation of volume cap through the authority's pass-through bond program.

(e) Notwithstanding existing rules or requirements under the authority's pass-through bond program or direct lending program, the authority may set aside not more than 15% of the funds identified in subdivisions (a) through (d) for rural communities as designated by the United States Department of Agriculture and Rural Development.

(f) Any request for funds allocated under subdivisions (a) through (d) shall include a letter of support from the municipality in which the property or project is located.

(5) To the extent that any funds awarded by the authority under this program include federal funds received by this state under the federal American rescue plan act of 2021, Public Law 117-2, to ensure that all such funds are obligated on or before December 31, 2024, the following provisions shall apply:

(a) Until April 1, 2024, American rescue plan act funds shall be obligated and deployed before any other funds.

(b) After April 1, 2024, the set-aside identified in subsection (4)(e) no longer applies, and federal American rescue plan act funds shall be allocated on a first-come, first-serve basis until such funds are fully obligated to 1 or both of the following:

(i) Any alternative method to achieve the program goals, if funds are administered in the form of a grant or forgivable loan.

(ii) Any project that meets the requirements identified in subsection (4)(a) to (d).

(6) The unexpended funds appropriated in part 1 for housing gap financing and affordable housing are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to implement Michigan's statewide housing plan by reducing housing costs for Michigan residents and increasing the supply of, and preserving existing, affordable housing.

(b) The project will be accomplished by utilizing state employees or by contracts with service providers, or both.

(c) The total estimated cost of the project is \$150,000,000.00.

(d) The tentative completion date is September 30, 2027.

Sec. 710. From the funds appropriated in part 1 for student aviation center, the department of labor and economic opportunity shall award \$3,750,000.00 to a public community college based in a county with a population between 90,000 and 98,000, according to the most recent federal decennial census, for the renovation of hangars used for that college's aviation program as well as the acquisition of additional aircraft that will be used for instruction of student pilots. A public community college must provide 50% matching funds to receive state funds under this section.

DEPARTMENT OF NATURAL RESOURCES

Sec. 901. (1) From the funds appropriated in part 1 for ARP – Lake Erie and Saginaw Bay watershed wetland restoration, enhancement, and acquisition, the department of natural resources shall allocate funding for targeted wetland restoration in the Lake Erie and Saginaw Bay watersheds of Michigan to aid in the reduction of levels of phosphorous, nitrogen, or sediment entering the waters of Lake Erie and Saginaw Bay. Expenditures under this section are intended to improve the water quality of Lake Erie and Saginaw Bay to support and enhance Great Lakes tourism and related economic sectors that have been adversely impacted by the COVID-19 pandemic.

(2) The department shall coordinate with state, federal, tribal, and nongovernmental agencies and organizations specializing in wetland restoration and conservation.

(3) Expenditures authorized under this section may be granted to nongovernmental conservation organizations specializing in wetland restoration and conservation to carry out the stated purpose of this section.

(4) Expenditures authorized under this section must comply with federal regulations established by the American rescue plan act of 2021, Public Law 117-2, including all regulations and requirements around the use of the state fiscal recovery fund.

STATE TRANSPORTATION DEPARTMENT

Sec. 1001. (1) As a condition for the expenditure of funds appropriated in part 1 for economic development project, the state transportation department shall enter into a memorandum of understanding with the Michigan strategic fund or the Marshall Area Economic Development Alliance, or both, as determined by the Michigan strategic fund.

(2) The legislature finds and declares that appropriations described in subsection (1) are for a public purpose and serve the health, safety, and general welfare of the residents of this state.

(3) Any funds appropriated in subsection (1) and specifically designated for road and infrastructure improvements via contract or other agreement with the Michigan strategic fund are appropriated for that purpose and shall be used in support of eligible activities under the Michigan strategic site readiness program pursuant to section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t.

(4) Funds allocated under this section may not be used to provide grants or other funds to a railroad company.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

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 1A for the fiscal year ending September 30, 2022 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 1A and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1A are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

DEPARTMENT OF STATE POLICE

Sec. 1401. (1) Funds appropriated in part 1A for public safety academy assistance programs must be distributed by the Michigan commission on law enforcement standards or the department of treasury to provide grants of up to \$24,000.00 per applicant through a competitive program to provide scholarships to recruits and/or pay the salaries of police cadets for local public safety departments. Grants under this section must be awarded on a first-come, first-served basis to applicants who meet necessary requirements and enroll in a police academy program.

(2) An applicant must meet all of the following requirements to receive a scholarship under this section:

(a) Have been successfully screened by a local public safety department to the selection and employment standards set by the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.615, and received an offer of employment from the local public safety department.

(b) Have been enrolled in a basic law enforcement training academy by the local public safety department.

(c) Have been approved by the Michigan commission on law enforcement standards for the scholarship.

(3) For the purposes of this section, not more than 25 scholarships may be approved by a particular local public safety department.

(4) The Michigan commission on law enforcement standards may use up to \$140,000.00 for administration of the scholarship program.

(5) Any program awards made prior to the effective date of this act may be amended if agreed to by the Michigan commission on law enforcement standards and the grantee.

(6) The unexpended funds appropriated in part 1 for public safety academy assistance programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide salaries and scholarships for public safety recruits.

(b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.

(c) The estimated cost of the project is \$30,000,000.00.

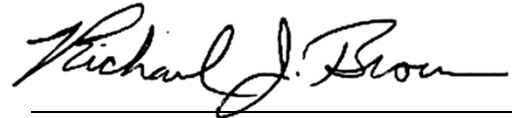
(d) The tentative completion date is September 30, 2026.

REPEALERS

Sec. 1601. Section 708 of article 15 of 2022 PA 166 is repealed.

Sec. 1602. Sections 307 and 601 of 2023 PA 1 are repealed.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor