

Senate Bill 690 (Substitute H-3 as passed by the House)
Sponsor: Senator Jim Stamas
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 6-17-20

CONTENT

The supplemental would provide appropriations for fiscal year (FY) 2019-20, mostly from the Federal Coronavirus Relief Fund (CRF), for various efforts related to the coronavirus disease 2019 (COVID-19) pandemic. The supplemental includes line item appropriations of \$880.1 million Gross and Federal with \$0 in General Fund/General Purpose (GF/GP) funding. Of the total funding, \$851.0 million would come from the CRF. Table 1 summarizes the appropriations in the supplemental.

Table 1

FY 2019-20 Supplemental Appropriations		
Budget Area	Gross	GF/GP
Agriculture & Rural Development	\$1,000,000	\$0
Education	143,000,000	0
Health & Human Services	193,100,000	0
Labor and Economic Opportunity	214,109,500	0
Licensing & Regulatory Affairs	1,400,000	0
Treasury	327,500,000	0
TOTAL	\$880,109,500	\$0

FISCAL IMPACT

The bill provides line-item appropriations of \$880.1 million in Federal appropriations, the vast majority of which are funded with CRF dollars. Table 2 summarizes the details of the appropriations in the supplemental. The House-passed bill includes the appropriation items that were included in the S-2 substitute version adopted by the Senate on May 13, 2020, albeit often at different amounts. The summer school funding and benchmark assessments for student items in the S-2 substitute were included as part of the instructional recovery programming funding described in Section 302. The agricultural processing grants in the S-2 were shifted from the Department of Agriculture and Rural Development to Food Processing Grants line in the Department of Labor and Economic Opportunity. The scope of the direct care worker pay increase was expanded in the H-3 substitute, but the amount was reduced from \$3 per hour in the S-2 substitute to \$2 per hour in the H-3.

FY 2019-20 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. Requires all subrecipients receiving funds to comply with Federal receipt provisions requirements in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and permits State departments administering Federal funds to require documentation necessary to ensure compliance. Directs that any funding to a subrecipient that does not adhere to CARES Act provisions be returned to the State and requires the State Budget Director to withhold payment of State funds to any subrecipient that does not spend funds consistent with the CARES Act or Federal regulations.

Sec. 205. General. Requires the State Budget Director to report monthly on all coronavirus relief effort funds to the Appropriations Committees and the fiscal agencies.

Sec. 251. Agriculture and Rural Development. Limits the use of Double Up Food Bucks dollars appropriated in part 1 to increasing subsidies to eligible recipients and bars the use of those funds for program administration.

Sec. 301. Education. Creates a child care rate reduction stipend as an add-on to the Child Care Relief Fund grant. Makes all licensed child care providers that receive grants from the Child Care Relief Fund eligible for the stipend. Makes stipends available for the months of June, July, and August 2020 and allows an entity up to 30 days after the given month to apply for the stipend. Requires licensed providers to provide information on tuition charged to families at the time of application, directs the Department of Education to reimburse up to 30% of the tuition charged to that family during the covered months, and requires the recipients of these stipends to reduce rates by the percentage provided through the stipend. Requires provider to ensure that they meet the requirements of the Child Care Relief Fund for each month the provider received a grant. Limits the weekly charged rate to the rate charged before the state of emergency declared in March 2020. Requires child care providers receiving the Child Care Relief Fund grant to reduce the monthly amount billed to each family for each child by the amount received for each child. Requires the Department to recoup funds if tuition is not reduced by the required amount. Directs the Department to distribute the stipend within 15 business days of the application if the provider meets the boilerplate requirements. Requires the Department to provide notice and information to all licensed providers on how to apply for the stipend and the program requirements. Requires the Department to take reasonable steps to ensure providers apply for stipends and requires providers to maintain billing and refund records for a minimum of four years. Directs the Department to prorate payments to providers if funds in the appropriation are insufficient to fully fund the payments. Defines "licensed providers".

Sec. 302. Education. Directs the Department of Education to allocate funding from the District COVID-19 Costs line item to school districts to support instructional recovery programming, benchmark assessments, and health and safety expenditures necessary to provide safe instruction. Defines instructional recovery program eligible for funding as one specifically designed to enable students to catch up on learning that was interrupted by the COVID-19 outbreak. Directs that funding be allocated to all districts by July 30, 2020, on an equal per pupil basis. Defines school district as that term is defined in the State School Aid Act and states that the term includes public school academies.

Sec. 401. Health and Human Services. Creates a COVID-19 direct care worker hazard pay adjustment that would increase pay for certain direct care workers by \$2 per hour above March 1, 2020, levels beginning July 1, 2020, through September 30, 2020. The wage increase would apply to those covered by the April 2020 \$2 per hour pay increase that applied from April 1, 2020, through June 30, 2020. The \$2 per hour increase also would apply, from July 1, 2020, to September 30, 2020, to direct care workers employed by skilled nursing facilities. The skilled nursing facility funding would include all costs incurred by the employer, including payroll taxes, because of the \$2 per hour wage increase and defines skilled nursing facility direct care workers as registered nurses, licensed practical nurses, competency-evaluated nursing assistants, and respiratory therapists. Includes a \$2 per hour wage increase from July 1, 2020, to September 30, 2020, for direct care workers employed by Area Agencies on Aging and its contractors for in-home and respite services and directs that the funding cover all costs incurred by the employer, including payroll taxes, because of the \$2 per hour wage increase. Requires contractors and subcontractors to provide documentation of the wage increases to the Department. Exempts increased pay from retirement and unemployment insurance cost calculations. Allows an employee to decline the increase and directs that this election be made either in writing or electronically and requires an employer who has employees decline increases to remit any funds that were provided to support the wage increase for those workers.

Sec. 402. Health and Human Services. Directs that the part 1 funding for Inpatient Behavioral Health grants be distributed as a \$100 per diem increase to first quarter Hospital Rate Adjustment payments made to inpatient psychiatric hospitals through the Medicaid Prepaid Inpatient Health Plans to be used to cover necessary expenditures related to COVID-19.

Sec. 403. Health and Human Services. Directs that part 1 funding for Victim Services Continuity and Stability Grants be administered by the Department of Health and Human Services (DHHS) through the Domestic and Sexual Violence Prevention and Treatment Board to support victim services. Permits the use of grant funding for personal protection equipment (PPE), telehealth technology and equipment, mental health and trauma recovery services, emergency or temporary housing and shelter, housing related assistance, employment assistance, safety planning and assistance, financial assistance, case management, civil legal services, substance use treatment services, restorative services to victims, medical and other services. Directs that grants of up to \$50,000 be awarded by the Board to organizations that have a current State contract awarded by the Board. Allows Federally recognized Tribes providing similar services to the eligible as well. Directs that at least \$950,000 be awarded to Child Advocacy Centers. Requires a report on the grants by September 30, 2020, to the Appropriations Committees, the fiscal agencies, and the State Budget Office.

Sec. 404. Health and Human Services. Directs that part 1 funding for Water Utility Assistance be used by the DHHS to create a residential utility relief program to provide direct payment assistance for water and wastewater utilities designed to help households retain water service to help mitigate the spread of COVID-19. Directs the Department to make payments to water utility providers to reimburse them for arrearages and fees for bill forgiveness and for providing a 25% discount on total water bills for eligible customers through December 2020. Caps payment for each arrearage at \$700. Requires utilities seeking funds under this section not to shut off water for a minimum of 90 days beyond the date a customer receives assistance, to forgive 25% of the water service amounts billed to residential customers in the program through December 1, 2020, to take no action that would affect a residential customer's credit score, not to pursue any collection action against a residential customer, to notify clients of the discount provided and bill forgiveness, and to provide these benefits in addition to any assistance provided through a local water utility's assistance program. Defines eligible residential client as individuals eligible for the Food Assistance Program who accumulated new arrearages or fees after March 1, 2020, during the COVID-19

state of emergency order. Allows the Department to use community assistance providers to implement the program and allows those providers to retain 4.0% of funding for administrative expenses.

Sec. 405. Health and Human Services. Directs the DHHS to allocate funding for the PPE grants to create a PPE support and testing program to provide grants to long-term care facilities, dialysis facilities, outpatient facilities collecting diagnostic respiratory specimens, dental facilities, other outpatient facilities, home health care, long-term acute care hospitals, emergency medical services providers, rural pharmacies, funeral directors and mortuary services, and residential congregate facilities. Directs that the PPE support and testing program include grants for PPE, COVID-19 testing, and COVID-19 testing equipment and that the funding be available to cover the cost of equipment and services purchased after March 1, 2020, in response to COVID-19. Directs the Department to report to the Appropriations Committees, the fiscal agencies, and the State Budget Office information on the grants applied for and awarded by September 30, 2020.

Sec. 501. Labor and Economic Opportunity. Directs that funding for the Unemployment Insurance Agency be used to increase capacity by up to 500 term-limited employees for up to six months to reduce backlogs and time lags in processing unemployment claims tied to the COVID-19 pandemic, to purchase software, equipment, and supplies to process unemployment claims, and to provide customer service to claimants.

Sec. 502. Labor and Economic Opportunity. Allocates not less than \$10.0 million from the Small Business Restart Grants appropriation in part 1 for agriculture processing and not less than \$5.0 million for farming safety grants administered by the Michigan Strategic Fund. The covered purposes of the grants would include on-site COVID-19 testing costs (through full plant testing or individual testing at certified testing sites), including staffing to administer the tests and PPE for the testing site; facility and farm needs, including dividers between employees; facilities to maintain social distancing; increased sanitation needs; and upgraded safety measures for farm-provided housing, PPE supplies, and screening procedures. Sets an application period starting no later than July 15, 2020, and extending from June 1, 2020, to September 15, 2020, for these grants. Caps grant awards at \$1,000 per plant employee. Requires the Michigan Strategic Fund to develop grant guidelines and obtain expenditure reports and to report to the Appropriations Committees, the fiscal agencies, and the State Budget Office on grant guidelines and expenditures by grant recipients by October 15, 2020. Also requires the Strategic Fund to report to the same entities on the number of grant applications received, the number of grants awarded, and a listing of grantees by county by September 30, 2020.

Sec. 503. Labor and Economic Opportunity. Allocates not more than \$100.0 million from the Small Business Restart Grants appropriation in part 1 to be used by the Michigan Strategic Fund to create and operate a small business restart grant program to provide grants to small businesses and nonprofit entities. Directs that Strategic Fund, in consultation with the 15 local and nonprofit economic development organizations (EDOs) that participated in the Michigan Small Business Relief Program created at the March 19, 2020, Strategic Fund Board meeting provide grants to eligible businesses and nonprofits that have realized a significant financial hardship due to the COVID-19 emergency. Directs that grant applications be accepted, reviewed, and approved by an eligible EDO or its local designee. Requires a base amount of \$3.5 million be awarded to each of the 15 eligible EDOs or their designees and requires the Strategic Fund to develop a fair method of distributing the remaining funds. Permits an eligible EDO or its local designee to retain up to 5.0% of the amount it receives for administrative costs. Sets requirements for the grants to include only eligible businesses or nonprofits with 50 or fewer employees, a maximum grant of \$20,000, a requirement that grants be used only for working capital to support payroll expenses, rent, mortgage payments, utility expenses,

costs to reopen business, or any other authorized use under the Federal CARES Act. Requirements also bar grants from being provided to businesses that previously received a grant under the Michigan Small Business Relief Program. Requires at least 30% of the funds awarded to be awarded to women-, minority-, and veteran-owned eligible businesses. Requires that any funds not awarded by September 30, 2020, revert back to the Strategic Fund and requires the Strategic Fund to reallocate and redistribute those funds to the 15 eligible EDOs in a manner determined by the Strategic Fund pursuant to the requirements of this section. Requires the Strategic Fund to develop and post on its website application, operation, award, and reporting criteria. Requires a monthly report by the Strategic Fund to the Appropriations Committees, the fiscal agencies, and the State Budget Director listing grants awarded in the previous month and the name and recipient of each grant. Also requires a summary of all grants provided by September 30, 2020. Defines "eligible business" and "nonprofit" as entities that demonstrate they have been affected by the COVID-19 emergency, that need capital to support expenses, and that demonstrate an income loss as a result of the COVID-19 emergency. Directs that unspent funds be designated as a work project.

Sec. 506. Labor and Economic Opportunity. Directs that the Department of Labor and Economic Opportunity collaborate with the DHHS, the Judiciary, local community action agencies, and legal aid organizations to create a rental assistance program from the funds appropriated in part 1 for Rental Assistance. Directs that no more than \$4.0 million be distributed to legal aid organizations, no more than \$4.0 million to local community action agencies, and no more than \$2.0 million to the Department of Labor and Economic Opportunity for administrative costs and a public awareness campaign. Directs that the remaining funds be used to pay rent arrearages and subsidies to minimize evictions because of economic hardships related to COVID-19. Requires the rental assistance program to offer voluntary participation for landlords, work within procedures created by the Supreme Court and the State Court Administrative Office to prevent evictions, to create a structured payment program for COVID-19 rent debt requiring participating landlords to receive partial payment in exchange for direct payment, not to evict a recipient who is making payments under the payment plan, to waive fees and penalties, not to initiate any action that would affect the credit report of the renter, and not to pursue collections for the period covered under the payment program.

Sec. 507. Labor and Economic Opportunity. Directs that funding for MiOSHA COVID-19 response grants appropriated in part 1 be allocated to support various efforts. Allocates not less than \$8.55 million for a voluntary grant program of up to \$10,000 for employers with 250 or fewer employees under the jurisdiction of MiOSHA to purchase safety and health related equipment including training, supplies, and materials such as hygiene stations and PPE. Directs that not more than \$1.0 million be allocated for a COVID-19 workplace safety public awareness program campaign. Directs that not more than \$450,000 be used to partner with a State university to create a web-based application to enable widespread COVID-19 symptom tracking data to be collected across the State, with the application allowing individuals to voluntarily input their data. The application would have to be able to assist the DHHS in early identification of potential outbreaks, direct individuals displaying symptoms toward the best and most responsible course of action, enable individuals and employers to know if someone in the workplace has COVID-19-like symptoms. Directs the university to create a data pipeline with inputs from COVID-19 data, the symptom tracking application, information about health care capacity to build epidemiological models to forecast cases and deaths in local regions, and create dashboards for the State to display information from the dataset.

Sec. 551. Licensing and Regulatory Affairs. Directs that funds appropriated in part 1 for Nursing Facility Infection Control Surveys be used for limited-term health systems staff to conduct infection control surveys in skilled nursing facilities and, if necessary, to connect the

facilities with the DHHS Population Health Division to provide training and education to facility staff and clinicians to mitigate the spread of COVID-19 infection.

Sec. 601. Treasury. Creates first responder hazard pay premium. This funding would be paid by the Department of Treasury as grants to first responders who have performed hazardous duty or work involving physical hardship related to COVID-19. Payments may be provided to law enforcement officers, firefighters, emergency medical technicians (EMTs), paramedics, 9-1-1 operators, local unit of government corrections officers, airport public safety officers, certain ambulance services staff, and private EMTs and paramedics that contract with municipalities or hospitals. Payments may be made as a lump sum payment or an hourly rate enhancement, with a maximum amount of \$1,000 per eligible employee. Requires bonuses be paid by September 30, 2020. Requires the Department of Treasury to make available on its website forms and information for local units of government and allows local units until September 30, 2020, to apply for reimbursement. Requires that reimbursements be made on a first-come, first-served basis and that the payment be made no later than 45 days after all required information is submitted. Sets a maximum award of \$5.0 million to any applicant. Requires a report to the Appropriations Committees, the fiscal agencies, and the State Budget Office by December 1, 2020, including a list by grant recipient of date each grant was approved, the amount of the grant, and the type of hazard pay premiums covered by the grant. Exempts bonus pay from retirement and unemployment insurance cost calculations. Defines "applicant" as a city, village, township, county, public airport operator, and licensed ambulance operation. Creates a work project for unspent funds.

Sec. 602. Treasury. Directs that \$25.0 million appropriated in part 1 for Device Purchasing Program/Distance Learning be allocated to the Michigan Association of Intermediate School Administrators (MAISA). Directs that those funds be used to coordinate and provide an incentive for strategic purchasing of devices for use by students at home and in schools and to address access and connectivity issues for students, families, and community members. Requires MAISA to make the funding available to all K-12 districts in Michigan through a statewide device purchase program. Requires an incentive for use of the SPOT bid in purchasing with larger incentives for schools with low device saturation in student homes and greater poverty. Sets requirements for districts applying for funding. Requires MAISA to recognize any other Federal payments made under the CARES Act and reduce allotments to applying districts accordingly. Directs that MAISA increase access and connectivity through extended wireless internet in parking lots of schools and libraries, equip school buses with wireless internet, offer low-income families the ability to purchase up to one additional device, and coordinate with service providers to assist low-income families in connecting to existing services where available. Requires a summary report from MAISA to the School Aid Appropriations Subcommittees and the fiscal agencies by January 1 of each year. Defines school district and low-income family.

Sec. 603. Treasury. Allocates \$2.5 million to a hospitality relief fund that existed on April 1, 2020. Allows the fund to be used to provide grants of up to \$500 to individuals employed in the hospitality industry as of March 10, 2020, who can demonstrate need. Requires a report on expenditures to the Appropriations Committees, and fiscal agencies, and the State Budget Office by August 15, 2020, on grants awarded and the number of individuals receiving grants.

Sec. 604. Treasury. Directs that part 1 funding for local units of government be allocated to counties, cities, villages, and townships that did not receive direct funding under the Federal CARES Act to reimburse eligible public safety and public health payroll expenditures. Requires a local unit of government to apply by July 17, 2020, in a form and manner prescribed by the Department of Treasury, and to list their eligible public safety and public health payroll expenditures incurred during April and May 2020. Applications made after July 17, 2020, would be eligible only for unspent funding. Allocations must be based on the local unit of

governments' eligible submitted expenditures, with prorated payments if the total exceeds the appropriation. Requires the Department to distribute funding no later than September 18, 2020. If there are any unspent funds, the Department must announce a second round of reimbursements, with local entities required to submit an application by September 8, 2020, subject to the same allocation and proration requirements. Money would have to be distributed within 60 days. Expenditures would not be eligible for reimbursement if other Federal funding covered the expenses.

Table 2

FY 2019-20 Supplemental Appropriations			
Department/Program	Gross	Federal	GF/GP
Agriculture and Rural Development			
Double up food bucks	\$1,000,000	\$1,000,000	\$0
Total Agriculture and Rural Development	\$1,000,000	\$1,000,000	\$0
Education			
School district grants, health, safety, assess.	\$18,000,000	\$18,000,000	\$0
Child care rate reduction stipend	125,000,000	125,000,000	0
Total Education	\$143,000,000	\$143,000,000	\$0
Health and Human Services			
\$2/hour direct care worker pay increase	\$120,000,000	\$120,000,000	\$0
Personal protection equipment priority providers	25,000,000	25,000,000	0
Hospital inpatient behavioral health centers	5,100,000	5,100,000	0
Victim services grants	4,000,000	4,000,000	0
Food bank council of Michigan	9,000,000	9,000,000	0
Water utility assistance	25,000,000	25,000,000	0
Multicultural services	5,000,000	5,000,000	0
Total Health and Human Services	\$193,100,000	\$193,100,000	\$0
Labor and Economic Opportunity			
Unemployment insurance agency staff/tech*	\$29,109,500	\$29,109,500	\$0
Small business support	100,000,000	100,000,000	0
Rental assistance and eviction diversion	60,000,000	60,000,000	0
Food processors grants	15,000,000	15,000,000	0
MiOSHA response grants	10,000,000	10,000,000	0
Total Labor and Economic Opportunity	\$214,109,500	\$214,109,500	\$0
Licensing and Regulatory Affairs			
Nursing home inspectors	\$1,400,000	\$1,400,000	\$0
Total Licensing and Regulatory Affairs	\$1,400,000	\$1,400,000	\$0
Treasury			
Device purchase, broadband, and low income connectivity	\$25,000,000	\$25,000,000	\$0
Hospitality relief fund	2,500,000	2,500,000	0
Allocations to local governments	200,000,000	200,000,000	0
Hazard pay for first responders	100,000,000	100,000,000	0
Total Treasury	\$327,500,000	\$327,500,000	\$0
Total FY 2019-20 Supplemental Appropriations	\$880,109,500	\$880,109,500	\$0

* Funded with Federal Department of Labor funds; all remaining funding from Coronavirus Relief Fund.

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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.