

FY 2021-22 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the Senate
House Bill 5525 (S-1)



HFA Director: Mary Ann Cleary
 Associate Director: Ben Gielczyk

Overview

House Bill 5525 (S-1) contains supplemental appropriation adjustments to the Departments of Attorney General and Labor and Economic Opportunity for unemployment insurance priorities. The bill appropriates a total of \$139.8 million. Of that, \$100.0 million is from the federal Coronavirus Relief Fund for deposit into the Unemployment Compensation Fund. The bill also appropriates \$4.1 million federal American Rescue Plan funds, \$8.9 million of state restricted funds, and \$20.0 million GF/GP.

The bill includes priorities initiated by the legislature and by the State Budget Office in Supplemental Request 2022-1 dated November 19, 2021, and Supplemental Request 2022-2 dated February 9, 2022. Appropriation and boilerplate priorities are identified following this overview.

FY 2021-22 APPROPRIATIONS SUMMARY

Budget Area		FY 2021-22 Year-to-Date Appropriations	FY 2021-22 Supplemental Change	% Change
Attorney General	Gross	\$108,398,800	\$4,070,000	3.8
	GF/GP	\$43,056,000	\$4,070,000	9.5
Labor and Economic Opportunity	Gross	\$3,250,153,600	\$135,770,000	4.2
	GF/GP	\$1,517,995,600	\$20,000,000	1.3
TOTAL	Gross	\$3,358,552,400	\$139,840,000	4.2
	GF/GP	\$1,561,051,600	\$24,070,000	1.5

FY 2021-22 Supplemental Appropriation Items

**Appropriation
Change**

ATTORNEY GENERAL

1. Operations - Investigation of Unemployment Fraud

Includes \$4.1 million GF/GP to cover costs of attorneys and support staff working on investigating and prosecuting cases of unemployment fraud in this state. Individuals would be hired or contracted for on a limited-term basis.

Gross \$4,070,000
GF/GP \$4,070,000

LABOR AND ECONOMIC OPPORTUNITY

2. ARP - Unemployment Insurance Equity Grants

Includes \$6.8 million of federal funds to improve access to unemployment insurance programs, which includes eliminating administrative barriers for benefit applicants, reducing workload backlogs, improving payment timeliness, and improving and ensuring equity in fraud prevention, detection, and recovery activities.

Gross \$6,840,000
Federal 6,840,000
GF/GP \$0

3. Unemployment Compensation Fund Deposit

Includes \$100.0 million federal Coronavirus Relief Fund to be deposited into the Unemployment Compensation Fund.

Gross \$100,000,000
Federal 100,000,000
GF/GP \$0

4. Unemployment Insurance Agency

Includes \$28.9 million Gross (\$20.0 million GF/GP) to improvement administration and fraud enforcement in the Unemployment Insurance Agency. Specifically, \$20.0 million GF/GP may be used to support customer service improvements related to the call center and claims handling and \$8.9 million federal must be used for enhanced fraud enforcement efforts, including the hiring of up to 52.0 term-limited employees.

Gross \$28,930,000
Federal 8,930,000
GF/GP \$20,000,000

FY 2021-22 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government

Estimates total state spending from state sources and payments to be made to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. Appropriations Subject to Federal Audit and Reporting Requirements

Subjects appropriations to applicable federal audit and reporting requirements; requires prompt action if instances of noncompliance are identified; requires the state budget director to notify appropriations committees and fiscal agencies of incidences of noncompliance.

Sec. 204. Appropriations Subject to American Rescue Plan Act (ARPA) Rules and Regulations

Requires funds appropriated in part 1 to be used in a manner consistent with ARPA rules and regulations.

Sec. 205. Report on Status of COVID-19 Appropriations

Requires the state budget director to report on the status of all funds appropriated related to the coronavirus relief effort on a monthly basis until all funds are exhausted.

ATTORNEY GENERAL

Sec. 301. Investigation of Unemployment Fraud

Requires funds to be used to hire or contract for limited-term staff to support efforts regarding illegitimate unemployment insurance claims occurring through claimant fraud, employer fraud, and identify theft; establishes work project.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 401. Unemployment Compensation Fund Deposit

Requires appropriation to be deposited in the Unemployment Compensation Fund for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis.

Sec. 402. Unemployment Insurance Agency

Allocates up to \$20.0 million for customer service improvements, including call center operations and claims handling; requires \$8.9 million be used for enhanced fraud enforcement efforts, including the hiring of up to 52.0 term-limited employees; requires department to ensure certain employment and vendor standards including background checks, confidentiality agreements, data governance training, vendor insurance coverage, data sharing agreements, and improved network access monitoring; establishes work project.