

FY 2020-21 SUPPLEMENTAL APPROPRIATIONS
Summary: Enacted with Vetoes
Public Act 2 of 2021 (House Bill 4047)



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Overview

2021 PA 2 (House Bill 4047) as enacted contains supplemental appropriation adjustments to various department budgets for FY 2020-21. The bill appropriates \$1.7 billion in federal COVID relief funding that was recently authorized through the federal Coronavirus Response and Relief Supplemental Appropriations Act in an effort to support the economic recovery of individuals, families, and businesses struggling with effects of the COVID-19 pandemic. The bill appropriates \$77.0 million in general fund revenue to support paying direct care workers an additional \$2.25 per hour for 7 months, starting March 1, 2021 and for costs associated with implementing a waiver of delinquent property tax penalty and interest.

Appropriation and boilerplate priorities included in the bill are identified following this overview.

FY 2020-21 APPROPRIATIONS SUMMARY

Budget Area		FY 2020-21 Year-to-Date Appropriations	FY 2020-21 Supplemental Change	% Change
Health and Human Services	Gross	\$28,726,411,000	\$1,449,787,000	5.0
	GF/GP	\$5,224,838,900	\$55,000,000	1.1
Labor and Economic Opportunity	Gross	\$1,684,364,300	\$282,581,700	16.8
	GF/GP	\$251,367,600	\$0	0.0
Treasury – Operations	Gross	\$758,483,500	\$22,000,000	2.9
	GF/GP	\$257,432,200	\$22,000,000	8.5
TOTAL	Gross	\$31,169,258,800	\$1,754,368,700	5.6
	GF/GP	\$5,733,638,700	\$77,000,000	1.3

<u>FY 2020-21 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
HEALTH AND HUMAN SERVICES		
1. Supplemental Nutrition Assistance Program (SNAP) Benefits	Gross	\$600,000,000
Includes \$600.0 million in federal funding to support general food assistance program (FAP) cost projections, a 15% increase in monthly SNAP benefits through June 30, 2021, and the SNAP program that provides temporary assistance to families with children who would otherwise be fed in the school or day care setting.	Federal	600,000,000
	GF/GP	\$0
2. Substance Abuse Prevention and Treatment Block Grant	Gross	\$17,400,000
Includes authorization to receive an additional \$17.4 million in newly awarded federal block grant funding.	Federal	17,400,000
	GF/GP	\$0
3. Direct Care Worker Hazard Pay Adjustment	Gross	\$150,000,000
Includes \$150.0 million Gross (\$55.0 million GF/GP) to cover costs of paying direct care workers an additional \$2.25 per hour for 7 months, starting March 1, 2021.	Federal	95,000,000
	GF/GP	\$55,000,000
4. Congregate and Home-Delivered Meals for Seniors	Gross	\$1,330,200
Includes \$1.3 million in federal funding to support extending waivers of the federal match requirement and certain dietary guidelines.	Federal	1,330,200
	GF/GP	\$0
5. COVID Epidemiology and Laboratory Capacity	Gross	\$207,500,000
Includes \$207.5 million in federal funding to cover testing expenses, contact tracing, surveillance, containment, and mitigation in an effort to monitor and suppress COVID-19.	Federal	207,500,000
	GF/GP	\$0

<u>FY 2020-21 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
6. COVID Epidemiology and Laboratory Capacity Contingent Fund		Gross \$347,327,300
Includes \$347.3 million in federal funding to establish a contingent fund for the balance of the federal epidemiology and laboratory capacity grant funding. Boilerplate section 261 prohibits expenditure from this amount unless Senate Bill 1 is enacted into law. (Senate Bill 1 has not been enrolled as of March 9, 2021.)		Federal 347,327,300
		GF/GP \$0
7. COVID Immunization and Coronavirus Vaccine Grant Reserve Fund		Gross \$110,239,800
Includes \$110.2 million in federal funding for coronavirus vaccine administration through local health departments and other health care providers. Amount includes \$90.2 million in federal COVID immunization and coronavirus vaccine grant funding and \$20.0 million in federal COVID epidemiology and laboratory capacity grant funding. Boilerplate section 255 sets aside 2/3 of the funding into a reserve fund that could not be expended until the funds are approved through a legislative transfer.		Federal 110,239,800
		GF/GP \$0
8. Mental Health Block Grant		Gross \$15,989,700
Includes authorization to receive an additional \$16.0 million in newly awarded federal block grant funding.		Federal 15,989,700
		GF/GP \$0
LABOR AND ECONOMIC OPPORTUNITY		
9. Emergency Rental and Utility Assistance		Gross \$220,302,200
Includes \$220.3 million in federal funding for grant awards to be distributed and used to assist renter households at or below 80% of area median income. Funds would support the Emergency Rental Assistance Program, which includes rental and utility assistance payments, housing stability services, and case management to eligible renter households impacted by COVID-19.		Federal 220,302,200
		GF/GP \$0
10. Emergency Rental and Utility Assistance Administrative Costs		Gross \$62,279,500
Includes \$62.3 million in federal funding for the Michigan State Housing Development Authority (MSHDA) to administer the Emergency Rental Assistance Program. MSHDA would distribute funds to Continuum of Care entities, which would subcontract with Housing Assessment and Resource Agencies and local service providers to administer and operate the program.		Federal 62,279,500
		GF/GP \$0
11. Unemployment Compensation Fund Deposit – VETOED		Gross \$0
Includes \$150.0 million GF/GP to be deposited into the Unemployment Compensation Fund for offsetting expected exposure to state fraud and improper payment during the COVID-19 pandemic.		GF/GP \$0
TREASURY		
12. Tax and Fee Relief for Afflicted Businesses – VETOED		Gross \$0
Includes a total of \$405.0 million GF/GP for tax and fee relief for afflicted businesses in the state that have realized a significant financial hardship as a result of the COVID-19 emergency. The funding would be allocated in the following manner and the bill includes boilerplate that would provide specific guidance for each allocation:		GF/GP \$0
\$300.0 million GF/GP to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses; property tax relief grant would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. \$55.0 million GF/GP to create and operate an unemployment insurance tax relief program to provide grants for unemployment insurance tax relief to afflicted businesses in an amount equal to 50% of the amount of unemployment insurance taxes paid by the afflicted business in the 4 most recent preceding quarters; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. \$16.5 million GF/GP to create and operate a retail liquor license relief program to provide grants for retail liquor license relief to eligible retail liquor establishments; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. \$22.0 million GF/GP to create and operate a food service establishment license relief program to provide grants for food service establishment license relief for eligible food service establishments; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. \$11.5 million GF/GP to create and operate a license and inspection fee relief program to provide grants for license and inspection fee relief to eligible licensees; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.		

<u>FY 2020-21 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>	
13. Waiver of Delinquent Property Tax Penalty and Interest	Gross	\$22,000,000
Includes \$22.0 million GF/GP for costs associated with implementing provisions of an amendment to the General Property Tax Act. Funds could be spent only upon enactment of the bill, which would provide for the waiver of interest and penalty on unpaid summer 2020 property taxes.	GF/GP	\$22,000,000

FY 2020-21 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. State Administrative Board Transfers

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

Sec. 204. State Hiring Freeze

Expresses intent of the legislature that a hiring freeze be imposed on the state classified civil service; prohibits state departments and agencies from hiring any new full-time state classified employees and from filling any vacant state classified civil service positions.

CORRECTIONS

Sec. 231. Resolution for Use of Leave Time for Quarantine

Expresses intent of the legislature that the department work to resolve the issue of corrections officers and other affected field staff having to expend personal sick and annual leave time when required by the department to quarantine after having close contact with an individual who might be infected with the COVID-19 virus; expresses intent of the legislature that up to 80 hours of personal sick and annual leave time be restored for corrections officers and other affected field staff; requires the department to report on details of the agreed-upon solution, or an explanation as to why a resolution could not be reached, and to include estimated costs of restoring 80 hours of personal sick and annual leave time.

HEALTH AND HUMAN SERVICES

Sec. 251. Direct Care Worker Hazard Pay

Requires appropriation to be used to increase wages paid to direct care workers by \$2.25 per hour from March 1, 2021 through September 30, 2021; direct care workers include those workers who received a \$2.00 per hour state-funded wage increase in April 2020, workers employed by skilled nursing facilities, workers employed by area agencies on aging, licensed adult foster care homes and licensed homes for the aged, direct support employees, job coaches, and front line workers employed by child care institutions; requires contractors and subcontractors to provide documentation of wage increases; prohibits wage increases from being used when determining employees' average compensation; authorizes direct care workers to elect to not receive the wage increase either in writing or electronically.

Sec. 252. Allocation of Appropriation for COVID Testing

Requires allocation of not less than \$37.5 million for grants to eligible school districts, public school academies, intermediate school districts, and nonpublic schools; requires allocation of not less than \$20.0 million to be used for COVID testing within the Department of Corrections; requires allocation of not less than \$25.0 million to be used for testing at licensed skilled nursing facilities; describes grant process for eligible school districts, public school academies, intermediate school districts, and nonpublic schools.

Sec. 253. Substance Abuse Prevention and Treatment Block Grant

Requires DHHS to provide grants to local public entities that provide substance use disorder services and to 1 private entity that has a statewide contract to provide community-based substance use disorder services.

Sec. 254. Mental Health Block Grant

Requires DHHS to provide grants to local public entities that provide mental health services and to 1 private entity that has a statewide contract to provide community-based mental health services.

Sec. 255. COVID Immunization and Coronavirus Vaccine Grant Reserve Fund

Requires DHHS to allocate \$36.7 million to manage the administration of a coronavirus vaccine to all Michigan residents through financial support to local health departments and other health care providers; prohibits balance of fund from being expended unless a legislative transfer request is issued by the state budget office; requires report from department on expenditures made and plans for use of requested funds.

FY 2020-21 Supplemental Boilerplate Items

Sec. 256. Reporting on Vaccine Distribution

Requires DHHS to report weekly on metrics used for calculating vaccine distribution, number of vaccines distributed to local health departments and enrolled providers in previous week, estimated number of vaccines to be distributed during current week; estimated number of vaccines to be distributed during next week; number and estimated percentage of individuals vaccinated by phase; number and estimated percentage of individuals residing or working in nursing homes that have been vaccinated; number and estimated percentage of individuals 65 years of age and older that have been vaccinated; total amount expended broken down by state general funds and federal funds; requires reports to be made accessible to the public on an internet site.

Sec. 257. Reporting on Vaccines

Requires DHHS to report on the formula or other detailed methodology used to distribute vaccines to each local health department and enrolled provider, and to report an example of how the formula or other detailed methodology would distribute a statewide total of 100,000 vaccines to each local health department and enrolled provider; requires DHHS to report, within 1 business day of any changes made, on any changes made to the formula or other detailed methodology, the rationale for any changes made, and an example of how the revised formula or other detailed methodology would distribute a statewide total of 100,000 vaccines to each local health department and enrolled provider; requires DHHS to report on the advantages and disadvantages of incorporating a specific minimum, or baseline, number of vaccines to be distributed on a weekly basis for each specific local health department and enrolled provider; requires all reports required by this section to be made accessible to the public on an internet site.

Sec. 258. Expansion of Vaccination Distribution

Requires DHHS to expand its vaccination distribution, within 30 days of enactment of this act, to include independent pharmacy networks, specifically those in rural areas, to increase access to vaccination.

Sec. 259. Notification of Aborted Fetal Tissue or Human Embryonic Stem Cell Derivation Lines

Requires recipients of COVID vaccines administered from appropriations in this act to be informed of the utilization of aborted fetal tissue or human embryonic stem cell derivation lines in development of the COVID vaccine.

Sec. 261. COVID Epidemiology and Laboratory Capacity Contingent Fund

Tie bars expenditure of contingent fund to Senate Bill No. 1 of the 101st Legislature.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. Emergency Rental and Utility Assistance

Requires LEO to collaborate with DHHS, the judiciary, local community action agencies, local non-profit agencies, and legal aid organizations to create a rental and utility assistance program; requires program to operate in accordance with U.S. Department of Treasury rules and guidance; designates unexpended funding as a work project appropriation.

Sec. 302. Emergency Rental and Utility Assistance Administrative Costs

Requires appropriation for emergency rental assistance – administrative costs to be administered by terms set forth authorizing the U.S. Department of Treasury to make payments to recipients for emergency rental assistance.

Sec. 303. Unemployment Compensation Fund Deposit – VETOED

Requires the appropriation for Michigan Unemployment Compensation Funds to be deposited into the Unemployment Compensation Fund no later than May 1, 2021 for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis; requires expenditure of federal funds prior to expenditure of general fund appropriations.

TREASURY

Sec. 401. Property Tax Relief Program – VETOED

Allocates \$300.0 million for the Department of Treasury to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded; defines terms used in section.

Sec. 402. Unemployment Insurance Tax Relief Program – VETOED

Allocates \$55.0 million for the Department of Treasury to create and operate an unemployment insurance tax relief program to provide grants for unemployment insurance tax relief to afflicted businesses; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded; defines terms used in section.

FY 2020-21 Supplemental Boilerplate Items

Sec. 403. On-Premise Retail Liquor License Relief Program – VETOED

Allocates \$16.5 million for the Department of Treasury to create and operate a retail liquor license relief program to provide grants for retail liquor license relief to eligible retail liquor establishments; defines eligible retail liquor establishment; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 404. Food Service Establishment License Relief Program – VETOED

Allocates \$22.0 million for the Department of Treasury to create and operate a food service establishment license relief program to provide grants for food service establishment license relief to eligible food service establishments; defines eligible food service establishment; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 405. License and Inspection Fee Relief Program – VETOED

Allocates \$11.5 million for the Department of Treasury to create and operate a license and inspection fee relief program to provide grants for license and inspection fee relief to eligible licensees; defines eligible licensee; specifies conditions the grant program would be required to meet; specifies qualifications eligible licensees would be required to meet; requires licensees that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires licensees to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 405a. Combined Application Process for Relief Programs – VETOED

Requires the department to develop a combined application separated into sections by program for all of the relief programs created under the act.

Sec. 406. Property Tax Deferral Debt Service Costs

Prohibits funds appropriated from being expended unless an amendment to the General Property Tax Act is enacted into law to provide for the waiver of interest and penalty on unpaid summer 2020 property taxes levied on designated property; requires funds to be used for implementation of the bill; designates unexpended funding as a work project appropriation.